MCHCP
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ANNUAL REPORT

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2020 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Missouri Consolidated Health Care Plan
www.mchcp.org
800-701-8881

832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

ANNUAL REPORT 2020 VISION

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Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2020 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Report prepared by the staff of the
Missouri Consolidated Health Care Plan.

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Introduction

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Missouri Consolidated Health Care Plan
832 Weathered Rock Court
PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881
www.mchcp.org

Judith Muck, *Executive Director*

Letter from the Executive Director

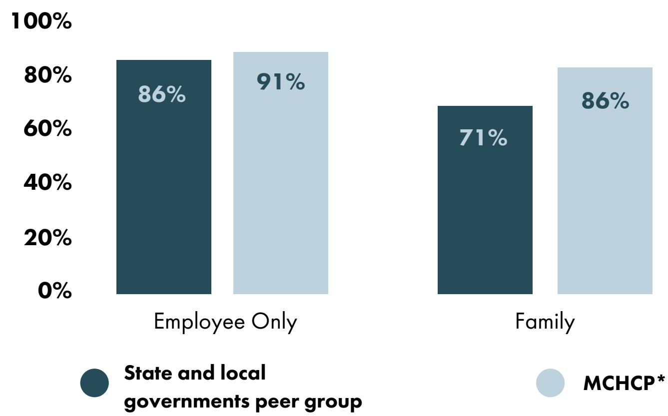
It is with great pleasure that I submit the annual report of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2020. MCHCP is a component unit of the state of Missouri for financial reporting purposes and, as such, the financial reports are also included in the state of Missouri's Comprehensive Annual Financial Report (CAFR). The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated in conjunction with the Board of Trustees, MCHCP management and Internal Audit to provide assurances that internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri (RSMO) as amended. Financial information can be found in the management discussion and analysis, financial statements, notes to the financial statements and statistical sections included in this report.

Fiscal year 2020 brought unprecedented challenges to MCHCP as we pivoted quickly to provide service to our members using remote technology, innovative web tools, and educational videos structured to communicate during a global pandemic. Clearly, our recent investments in technology and web based applications allowed us to seamlessly move to a virtual environment and to continue providing the services our membership expect. We expanded our solutions to include virtual doctor via tele-health with no member cost-share to encourage members to stay connected to their health care providers. The economics of the pandemic saw decreases in MCHCP's total medical claim expenditures by nearly 11 percent in fiscal year 2020 in comparison to fiscal year 2019 expenditures, although gross pharmacy claims posted an increase of over nine percent from the prior year. Throughout these challenges, MCHCP has remained dedicated to providing health care coverage that is both affordable and comprehensive in these difficult times

With benefit design changes in 2019, the Plan solidified its alignment with available funding and financial resources after seven years of very little change. For our active employees and non-Medicare retirees, a Health Savings Account (HSA) plan and two preferred provider organization (PPO) plans with increased member cost-sharing responsibilities were offered effective Jan. 1, 2019. In addition, January 1, 2020 MCHCP moved to a new third party administrator, Anthem Blue Cross Blue Shield with the opportunity for advanced member advocacy tools. For our Medicare retiree members, a fully-insured group Medicare Advantage (PPO) plan replaced the traditional PPO offering in 2019. As the chart presents, even in challenging economic times, MCHCP's share of premium remains higher than comparators from state and local government peer groups for both employee and family coverages.

During the fiscal year ended June 30, 2020, the state of Missouri contributed more than $473 million, or approximately 68 percent of revenues, to the Plan in the form of employer-sponsored contributions. Member contributions for our state members exceeded $118 million while revenues for public enrollment approached $7.4 million. The Plan's investment strategies employ best practices for safety of investment, liquidity and yield, and incorporate objectives of attaining return through budgetary and economic cycles while considering risk and the liquidity needs of the Plan. The portfolio generated a return of 3.01 percent for fiscal year 2020. Additional investment information can be found in the Investment section of this report. The ability to maintain the financial strength of the Plan is incumbent on contributions from the State, premium contributions from members, diligence to plan design and improving the health risk profiles of our membership.

MCHCP Share of Premium - 2020



Contributions from the state and MCHCP trust fund.

SOURCE: U.S. Bureau of Labor Statistics. (2020). *Employer Costs for Employee Compensation - March 2020.* National Compensation Survey, U.S. Department of Labor, Bureau of Labor Statistics.

This report is a product of the combined efforts of the MCHCP staff and the Board of Trustees. It is intended to provide reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. Brown Smith Wallace LLC, conducted an independent audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. MCHCP has received an unmodified opinion from our independent auditors whose report can be found on pages 24-25.

This annual report is provided to the Governor, the State Auditor, members of the General Assembly, all state agencies and all participating public entities and is viewable at www.mchcp.org. The cooperation and support of these individuals and agencies help contribute to our success. Also, for the Board of Trustees, I extend my gratitude to the staff who work diligently to provide the quality member service you have come to expect from MCHCP.

For the twenty-fifth year in a row, MCHCP was pleased to receive the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to qualify, a government unit must publish a report conforming to all GFOA standards. MCHCP will continue to strive for such recognition with its submission of our current report for consideration to GFOA.

We look forward to the upcoming 2021 year with renewed hope for the health of the world and for our members. I welcome your suggestions for the continued success and improvement of your health plan, MCHCP.

Yours in health,

Judith Muck

Judith Muck
Executive Director
December 10, 2020

Certificate of Achievement

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Missouri Consolidated Health Care Plan

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

MCHCP Organization

Vendor Relations

Judith Muck
Executive Director

Stacia G. Fischer
Chief Financial Officer

Fiscal

Research

Internal Audit

Human Resources

Bruce R. Lowe
Chief Information Officer

Information Technology

Facility Operations

Multimedia Communications

Jennifer Stilabower
General Counsel and Deputy Director

Legal

Clinical Services

Benefit Administration

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Judith Muck, *Executive Director*

Letter from the Chairperson

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Comprehensive Annual Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2020.

As Chairperson, I am honored to serve on the MCHCP Board of Trustees. At my request, James R. McAdams, Office of Administration Deputy Commissioner and General Counsel serves as my designee on the MCHCP Board of Trustees.

Twenty-twenty vision, the theme of our fiscal year 2020 Annual Report, could not be clearer. This year, a year like no other, has provided unprecedented challenges in providing affordable and comprehensive coverage to our membership. We have turned to new and innovative ways to serve our membership during this global pandemic, utilizing remote technology, enhancing our website accessibility and functionality, and providing increased virtual education opportunities online.

The Board of Trustees, supported by the Plan's management, has designed and implemented internal and accounting controls in providing reasonable assurances of the financial records and safekeeping of Plan assets while incorporating financial transparency to those interested in the results of operations. During fiscal year 2020, the Plan received more than $473 million in state appropriations, toward the maintenance of the state's share of employee and retiree health care benefits. State members contributed over $118 million toward their share of premium and return on investment totaled more than $3.8 million.

MCHCP expenditures for self-funded medical and pharmacy benefits, a fully-insured group Medicare Advantage (PPO) plan and fully-insured dental and vision benefits during fiscal year 2020 were approximately $571 million; representing a decrease of approximately 12 percent over fiscal year 2019 totals. These totals are very indicative of the pandemic impact to the health care economy. Our work remains focused on the health of our population, as during fiscal year 2020, approximately three percent of our membership presented as a high cost claimant, defined as those with expenses over $50,000, accounting for almost 47 percent of total MCHCP medical health care costs. Working with our membership to improve their health through strategies structured around healthy lifestyles, weight management and access to care assists in supporting the

fiscal health of Plan members and operations

On behalf of the Board of Trustees, we value and appreciate the 93,000 state and public members we serve and the dedicated MCHCP staff, advisors and vendors who have worked diligently in the administration of the Plan over this year. We look forward to a new year with 2020 clearly in our hindsight and renewed health for those we serve, while continuing our work to provide affordable and comprehensive health coverage.

Respectfully,

Sarah Steelman

Sarah Steelman
Chairperson
Board of Trustees
December 10, 2020

Professional Services

ACTUARIAL SERVICES & CONSULTING
Willis Towers Watson

AUDIT SERVICES
Brown Smith Wallace, LLP
Claim Technologies Incorporated

BANKING - HEALTH SAVINGS ACCOUNT (HSA)
Central Bank

DECISION SUPPORT SYSTEM
IBM Watson Health

DENTAL PROGRAM
MetLife

ELECTRONIC - BASED WEIGHT MANAGEMENT SOLUTION
Naturally Slim

EMPLOYEE ASSISTANCE PROGRAM
ComPsych

GROUP MEDICARE ADVANTAGE (PPO) PLAN
UnitedHealthcare

HEALTH CENTER
Cerner

MEDICAL THIRD PARTY ADMINISTRATOR
Aetna
Anthem
UMR

PHARMACY BENEFIT MANAGER
Express Scripts, Inc.

VISION PROGRAM
National Vision Administrators

Board of Trustees

Marty Drewel
Holts Summit
Retiree-Elected
Member

Cameron Fast
Hamilton
Active Employee-Elected
Member

Honorable Aaron Griesheimer
Missouri House of Representatives
District 061
Appointed by the
Speaker of the House
of Representatives

Honorable John Rizzo
Missouri Senate
District 011
Appointed by the
President Pro Tem of
the Senate

Honorable David Sater
Missouri Senate
District 029
Appointed by the
President Pro Tem of
the Senate

Randall W. Williams, MD, FACOG
Director
Department of Health
and Senior Services
Jefferson City
Ex Officio Member

One Governor-Appointed Member was open as of June 30, 2020.

Summary of Plan Provisions

VISION

To be recognized and valued by our members as their advocate in providing affordable, accessible, quality health care options.

PURPOSE

Established Jan. 1, 1994, the Missouri Consolidated Health Care Plan (MCHCP) or the Plan was created to provide health care benefits to most state employees, retirees and their dependents, and public entities within the state that join the Plan.

MISSION

To provide access to quality and affordable health insurance to state and local government employees. We will accomplish this by:

- Consolidating purchasing power and administration to achieve benefits not available to individual employer members
- Creating collaborations to ensure the needs of individual members are understood and met
- Ensuring fiscal responsibility
- Developing innovative delivery options and incentives
- Identifying and contracting with high-value plans
- Maintaining a high-quality and knowledgeable work force

ADMINISTRATION

MCHCP administers medical, dental and vision benefits and the Strive Employee Life & Family (SELF) program for most members of the Missouri State Employees' Retirement System, Judicial Retirement Plan, some members of the Public School Retirement System, legislators, statewide elected officials and eligible public entity members. In addition, dental and vision benefits are available to employees and retirees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. SELF program benefits are available to active employees eligible for MCHCP medical coverage and members of their household.

Missouri statutes provide that the administration of MCHCP be vested in a 13-member Board of Trustees. The Board is composed of:

- The Director of the Department of Health and Senior Services, serving ex officio
- The Director of the Department of Insurance, Financial Institutions and Professional Registration, serving ex officio
- The Commissioner of the state Office of Administration, serving ex officio
- Two members of the Senate, appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives
- Three members appointed by the Governor with the advice and consent of the Senate (All three members appointed by the Governor shall be citizens of the state of Missouri who are not members of the Plan, but who are familiar with medical issues.)
- Two members of the system who are current employees, elected by a plurality vote of members of the system who are also current employees
- One member of the system who is a retiree, elected by a plurality vote of retired members of the system.

The management of MCHCP is the responsibility of the Executive Director, who is appointed by the Board of Trustees and serves at its pleasure.

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization. Information regarding investment advisory services and fees can be found on page 85 of the Investment section.

MEDICAL PLANS

MCHCP offers three medical plans - the Health Savings Account Plan (HSA) Plan, and two Preferred Provider Organization (PPO) plans - the PPO 1250 and the PPO 750. All three of MCHCP's medical plans offer the same benefits, such as:

- 100% coverage of preventive care – such as preventive exams, vaccinations, age-specific screenings and much more – when using a network provider.
- Choice of health care providers, pharmacies and hospitals from a nationwide network, usually at a lower cost.

HEALTH SAVINGS ACCOUNT PLAN (HSA PLAN)

The Health Savings Account (HSA) Plan is a qualified high-deductible plan that gives non-Medicare primary members access to network providers at a lower cost. MCHCP's HSA Plan has a lower or no-cost premium with a higher deductible, when compared to other MCHCP medical plans.

The Internal Revenue Service establishes maximum annual HSA contribution amounts, but there is no limit on the balance of the HSA. MCHCP contributes funds to active employee's HSAs on an annual basis. HSA funds can be used for qualified medical expenses.

PREFERRED PROVIDER ORGANIZATION (PPO) PLANS

MCHCP's PPO plans give MCHCP members access to network providers at a lower cost. The PPO 1250 Plan has a moderately-priced premium and the PPO 750 Plan has the highest premium, when compared to other MCHCP medical plans.

The PPO plans have network benefits that require a deductible be met before claims are paid at 80%. Non-network benefits have higher out-of-pocket expenses.

PRESCRIPTION DRUG PLANS

MCHCP medical plan members are automatically enrolled in the prescription drug plan (PDP). Medicare primary members are enrolled in a Medicare Part D PDP. Both non-Medicare and Medicare primary PDPs use a broad network of retail pharmacies and one specialty pharmacy. The drug formulary covers a wide array of drugs and promotes the use of generics.

DENTAL PLAN

The dental plan offers comprehensive dental benefits through a nationwide network of participating providers. Preventive care, such as examinations and cleanings, is covered at 100 percent and does not count toward the plan year maximum benefit amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The plan also covers fillings, extractions, root canals, bridges, dentures, crowns, the treatment of gum disease and other services with varying deductibles and coinsurance.

VISION PLAN

The vision plan offers vision benefits through a nationwide network of participating providers. Basic and premium plans are offered with set copayments for services received from network providers and allowances for services obtained from non-network providers. The plan covers examinations, lenses, frames, contact lenses and corrective laser surgery. Members can receive discounts on additional glasses and sunglasses from any provider, accepting those discounts, within 12 months of an eye exam.

STRIVE EMPLOYEE LIFE & FAMILY PROGRAM (SELF)

The Strive Employee Life & Family (SELF) program through Compsych, is a confidential counseling and referral service that can help employees and their families reduce stress, improve health and enhance life balance. SELF program services are available at no cost to all state employees eligible for MCHCP medical coverage and members of their households. Eligible employees and members of their household can keep using SELF services for 18 months following retirement and through the month after they are laid off. Household members can also use the SELF program for six months after a subscriber's death.

The program offers behavioral health counseling services, legal and financial services, and identity theft and fraud resolution services. The SELF program also offers everyday support through FamilySource® to assist with every day issues such as child and elder care, moving and relocation, making major purchases, vacation planning and much more simply by calling or accessing expert help online.

STRIVE FOR WELLNESS ® PROGRAM

The *Strive for Wellness®* program provides evidence-based initiatives and resources designed to help members better understand and manage their health.

Major strategies focus on empowering members to proactively receive preventive health screenings, manage chronic conditions, and to lead overall healthier lives. *Strive for Wellness®* offers premium reductions for eligible members who participate in the Partnership and Tobacco-Free Incentives.

In addition, the *Strive for Wellness®* team – comprised of expert clinicians and health educators - teaches employees how to make healthy lifestyle choices. The team creates health education videos and leads health-education events and related activities, such as blood pressure screenings and an annual state employee 5K Run/Walk. Registered dietitians teach on-site weight management courses several times each year and registered nurses lead quit tobacco courses in state office buildings.

In an effort to broaden wellness opportunities to all state employees, particularly in regions located outside the capitol complex, Ambassadors and building wellness teams were created. These individuals and groups help organize on-site activities and services, reaching more employees where they work.

STRIVE FOR WELLNESS® HEALTH CENTER

The *Strive for Wellness®* Health Center brings basic health care to active state employee subscribers enrolled in an MCHCP medical plan. The Center offers routine care for common illnesses, basic preventive care, and behavioral health counseling services, at hours designed to fit into a hectic workday. It is conveniently located in Jefferson City's Harry S Truman Building.

Financial

Report of Independent Auditors

BROWN SMITH WALLACE

THE FIRM FOR GROWTH.

Independent Auditor's Report

Board of Trustees
Missouri Consolidated Health Care Plan
Jefferson City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of each of the two major funds (Internal Service Fund and State Retiree Welfare Benefit Trust) of Missouri Consolidated Health Care Plan (the "Plan") as of and for the fiscal year ended June 30, 2020, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report of Independent Auditors

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Plan as of June 30, 2020, and the respective changes in financial position cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

U.S generally accepted accounting principles require management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Introductory and Statistical Sections

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Brown Smith Wallace, LLP

St. Louis, Missouri
December 9, 2020

Management's Discussion & Analysis

Management's Discussion and Analysis provides an overview of the financial position and activities of the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal years ended June 30, 2020 and 2019. The information presented here should be considered in conjunction with the financial statements and notes. MCHCP is a component unit of the State of Missouri and is included in the State's Comprehensive Annual Financial Report (CAFR).

MCHCP's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

FUND ACCOUNTING

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discretely presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds and fiduciary funds. The ISF is considered to be a proprietary fund while SRWBT is classified as a fiduciary fund. MCHCP does not have any governmental funds.

Proprietary funds. Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources through the use of accrual accounting. Of the two types of proprietary funds, MCHCP maintains one type: internal service fund. Internal service funds account for the financing of goods or services provided by one governmental department or agency to another and are expected to be self-supporting through charges to users. MCHCP's purpose is to provide medical insurance benefits to the State of Missouri's and other participating Missouri public entities' employees, retirees, and their dependents.

Fiduciary funds. Fiduciary funds account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary fund accounting is similar to that used for proprietary funds. The purpose of the SRWBT is to provide health and welfare benefits for the exclusive benefit of current and retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other post-employment benefit (OPEB) plans of the State.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Plan's basic financial statements. Typically, governmental financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the Plan has only proprietary and fiduciary funds, government-wide financial statements are not presented. Proprietary funds present financial statement information in the same manner as government-wide financial statements only with more detail, and government-wide financial statements would be repetitive. In addition, fiduciary funds are not reflected in government-wide financial statements because the resources of that fund are not available to support MCHCP's own programs.

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. For SRWBT, the basic financial statements are comprised of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Notes to the Financial Statements are also part of the basic financial statements and apply to both the ISF and SRWBT. The financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental benefit plans.

The Statement of Net Position and Statement of Fiduciary Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP reflect the resources available as of the end of the fiscal year to pay benefits to members when due. Over time, increases and decreases in net position measure whether MCHCP's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position and the Statement of Changes in Fiduciary Net Position present information detailing the revenues and expenses that resulted in the change in net position that occurred during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the fiscal year under self-funded plans will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows presents the cash inflows and outflows of the ISF categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end of year cash balances contained in the Statement of Net Position. The effects of accrual accounting are adjusted out and noncash activities, such as depreciation, are removed to supplement the presentation in the Statement of Revenue, Expenses and Change in Net Position. A statement of cash flows is not required for the SRWBT.

The Notes to Financial Statements follow the above basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

The following tables present summarized financial position and results for the fiscal years ending June 30, 2020 and 2019. Additional details are available in the accompanying basic financial statements.

Summary Comparative Statements of Net Position

Current assets for the ISF increased significantly for the year ended June 30, 2020 due to increases in cash and cash equivalents as a result of the economic impact of the global pandemic on health care operations during the fiscal year. Capital asset activity reflects primarily purchases in technology and data protection necessary for operations and have remained relatively constant for the periods ended June 30, 2020 and 2019, respectively. Since the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the Plan has recognized deferred outflows of resources for pension contributions made and expensed of $1,680,300 and $2,303,698, respectively for the periods ended June 30, 2020 and 2019.

Accrued medical claims and fees decreased slightly for the ISF for the year ended June 30, 2020 over 2019. Overall, claims costs and actuarially projected incurred but not reported claims costs are influenced by health risk profiles of plan participants for the period and estimates are reflective of the active enrollment, claims payment patterns, and medical trend projections during the year.

Unearned premiums and other liabilities for the periods ended June 30, 2020 and 2019 are primarily influenced by the State's contribution at June 30th for each of the years ended and the level of contribution applicable to each receipt. For the ISF unearned premiums and other liabilities at June 30, 2020, increased over fiscal year 2019, due primarily to an increase in the amount due to the SRWBT from the ISF and the State's contribution at June 30, 2020 and the respective levels of appropriated funding from the State included with these receipts. Unearned premiums and other liabilities are most significantly influenced by amounts due from the ISF to the SRWBT and the state's payroll cycle and the amount, timing, and enrollment mix of receipt of premium payments to MCHCP prior to the effective date of coverage.

Noncurrent liabilities existing at June 30, 2020 and 2019 reflect the Plan's net pension liability related to GASB 68, *Accounting and Financial Reporting for Pensions.*

Net position represents the value of the ISF's assets after liabilities are deducted. The improvement in net position for the ISF at June 30, 2020 over 2019, is primarily the result of decreases in medical and pharmacy expenses associated with lowered utilization and claim unit costs and their impact on plan assets and liabilities impacted by the global pandemic. The MCHCP Board of Trustees continues to assess the best and appropriate combination of benefit design with available funding from both the State and members. Ultimately, claims costs for state employees are backed by the state of Missouri should contributions not be sufficient to cover claims expenditures and operational costs of the Plan.

Summary Comparative Net Position

Internal Service Fund

	As of June 30, 2020	As of June 30, 2019	Amount of Change	Percentage Change
ASSETS				
Current assets	**$151,905,277**	**$70,351,093**	**$81,554,184**	**115.92%**
Capital assets	**177,984**	**220,086**	**(42,102)**	**(19.13)**
Deferred Outflow of Resources	**1,680,300**	**2,303,698**	**(623,398)**	**(27.06)**
Total Assets and Deferred Outflow of Resources	**$153,763,561**	**$72,874,877**	**$80,888,684**	**111.00%**
LIABILITIES				
Accrued medical claims & fees	**$44,935,247**	**$45,523,139**	**($587,892)**	**(1.29%)**
Unearned premiums & other liabilities	**46,981,850**	**27,249,219**	**19,732,631**	**72.42**
Total current liabilities	**91,917,097**	**72,772,358**	**19,144,739**	**26.31**
Total noncurrent liabilities	**8,931,796**	**8,362,210**	**569,586**	**6.81**
Deferred Inflow of Resources	**$246,231**	**$363,941**	**(117,710)**	**(32.34%)**
Total Liabilities and Deferred Inflow of Resources	**$101,095,124**	**$81,498,509**	**19,596,615**	**24.05%**
NET POSITION				
Unrestricted	**$52,490,453**	**($8,843,718)**	**$61,334,171**	**(693.53%)**
Net investment in capital assets	**177,984**	**220,086**	**(42,102)**	**(19.13)**
Total Net Position	**52,668,437**	**(8,623,632)**	**61,292,069**	**(710.75)**
Total Liabilities and Net Position	**$153,763,561**	**$72,874,877**	**$80,888,684**	**111.00%**

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents decreased primarily to the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. The increase in amounts due from MCHCP at June 30, 2020, over 2019, reflect the increase in activity housed in the single service operations account related to the operations of each of the funds.

Prescription drug rebates for the SRWBT increased during fiscal year 2020, as a result of the Plan's increases in pharmacy and specialty drug expenditures and the related direct and coverage gap discounts associated with those payments. Contractual improvements associated with pharmacy market check provisions increased per script returns while bolstering rebate revenues.

Contractual market check provisions associated with retail brand scripts increased prescription drug rebates for the SRWBT and was a contributor to the increase in net position at June 30, 2020, to over $159.9 million compared to $139.6 million at June 30, 2019.

Summary Comparative Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2020	As of June 30, 2019	Amount of Change	Percentage Change
ASSETS				
Cash and cash equivalents	**$1,949,054**	**$3,201,919**	**($1,252,865)**	**(39.13%)**
Due from MCHCP	**24,144,321**	**9,515,801**	**14,628,520**	**153.73**
Investments, at fair value	**122,022,980**	**118,245,004**	**3,777,976**	**3.20**
RECEIVABLES				
Prescription drug rebates	**$22,483,459**	**$17,673,312**	**$4,810,147**	**27.22%**
Other receivables	**360,985**	**429,949**	**(68,964)**	**(16.04)**
Total receivables	**22,844,444**	**18,103,261**	**4,741,183**	**26.19**
Total Assets	**$170,960,799**	**$149,065,985**	**$21,894,814**	**14.69%**
LIABILITIES				
Accrued medical claims & capitation fees	**$4,965,908**	**$5,899,089**	**($933,181)**	**(15.82%)**
Unearned revenue	**5,834,861**	**3,348,913**	**2,485,948**	**74.23**
Other liabilities	**268,014**	**267,800**	**214**	**0.08**
Total Liabilities	**$11,068,783**	**$9,515,802**	**$1,552,981**	**16.32%**
Net Position restricted for pensions	**$159,892,016**	**$139,550,183**	**$20,341,833**	**14.58%**

Summary Comparative Statements of Revenue, Expenses & Changes in Net Position

State/Employer contributions for fiscal years 2020 and 2019, for the ISF totaled $401,388,126 and $400,006,662, respectively. Funding for the years represented are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims expenditures and operational costs.

Member contributions for the ISF for the years ended June 30, 2020 and 2019, are influenced primarily by total enrollment, the mix of enrollment, the relative plan design for the respective years, and the State's commitment to providing a pathway for maintaining premium contributions through employer subsidy and employee participation in wellness initiatives.

Public entity enrollment at June 30, 2020, decreased approximately five percent over enrollment at June 30, 2019, and premium contributions decreased slightly reflecting the mix of enrollment and premium trends. Public entity contributions for the years ended June 30, 2020 and 2019 were $7,423,514 and $7,870,921, respectively.

Pharmacy rebates remained relatively steady at June 30, 2020 over 2019 and are primarily influenced by the Plan's prescription drug expenditures, active enrollment, and the related contractual rebate improvements.

Medical claims and capitation expense decreased by over 10 percent during fiscal year 2020, and was primarily related to the global pandemic impacting global health care delivery systems. These decreased expenditures are reflected in the ISF's improved net position at June 30, 2020, over June 30, 2019.

Summary Comparative Statement of Revenue, Expenses & Changes in Net Position

Internal Service Fund

	Year ended June 30, 2020	Year ended June 30, 2019	Amount of Change	Percentage Change
OPERATING REVENUES				
State/employer contributions	**$401,388,126**	**$400,006,662**	**$1,381,464**	**0.35%**
State employee/member contributions	**74,873,802**	**76,138,619**	**(1,264,817)**	**(1.66)**
Public entity contributions	**7,423,514**	**7,870,921**	**(447,407)**	**(5.68)**
Subcontractor & other rebates	**31,653,218**	**31,161,964**	**491,254**	**1.58**
Total Operating Revenues	**$515,338,660**	**$515,178,166**	**$160,494**	**0.03%**
OPERATING EXPENSES				
Medical claims & capitation expense	**$439,515,651**	**$489,424,669**	**($49,909,018)**	**(10.20%)**
General & administration expense	**15,634,293**	**15,162,160**	**472,133**	**3.11**
Total Operating Expenses	**$455,149,944**	**$504,586,829**	**($49,436,885)**	**(9.80%)**
Operating gain/loss	**60,188,716**	**10,591,337**	**49,597,379**	**468.28**
Investment income & other changes	**1,103,352**	**1,171,090**	**(67,738)**	**(5.78)**
Excess of revenues over expenses	**61,292,068**	**11,762,427**	**49,529,641**	**421.08**
Net position, beginning of the year, adjusted	**(8,623,632)**	**(20,386,059)**	**11,762,427**	**(57.70)**
Net Position, end of year	**$52,668,436**	**($8,623,632)**	**$61,292,068**	**(710.75%)**

Summary Comparative Statement of Changes in Fiduciary Net Position

Employer contributions for the SRWBT for the years ended June 30, 2020 and 2019, respectively were $72,338,734 and $82,619,621 and are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee retiree health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims needs.

MCHCP participates in a Medicare Prescription Drug Plan to provide coverage to Medicare-primary retirees and dependents. The program provides greater savings to the employer over the historical retiree drug subsidy (RDS). During fiscal years 2020, and 2019 the SRWBT received $48,172,196 and $41,544,557 for retiree drug subsidy and other rebates.

Medical claims and capitation expense decreased for the SRWBT during the period ended June 30, 2020, primarily due to the impact of the global pandemic on global health care operations.

Summary Comparative Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust

	Year ended June 30, 2020	Year ended June 30, 2019	Amount of Change	Percentage Change
ADDITIONS				
Employer contributions	**$72,338,734**	**$82,619,621**	**($10,280,887)**	**(12.44%)**
Retiree contributions	**43,318,278**	**51,242,143**	**(7,923,865)**	**(15.46)**
Investment income	**2,754,934**	**6,208,661**	**(3,453,727)**	**(55.63)**
Retiree drug subsidy & other rebates	**48,172,196**	**41,544,557**	**6,627,639**	**15.95**
Total Additions	**$166,584,142**	**$181,614,982**	**($15,030,840)**	**(8.28%)**
DEDUCTIONS				
Medical claims & capitation expense	**$138,933,653**	**$165,126,632**	**($26,192,979)**	**(15.86%)**
Claims administration services	**4,412,024**	**4,128,891**	**283,133**	**6.86**
Administration & other	**2,896,632**	**2,743,447**	**153,185**	**5.58**
Total Deductions	**$146,242,309**	**$171,998,970**	**($25,756,661)**	**(14.97%)**
Net increase	**20,341,833**	**9,616,012**	**10,725,821**	**111.54**
Net position restricted for pensions				
Beginning of year	**139,550,183**	**129,934,171**	**9,616,012**	**7.40**
End of year	**$159,892,016**	**$139,550,183**	**$20,341,833**	**14.58%**

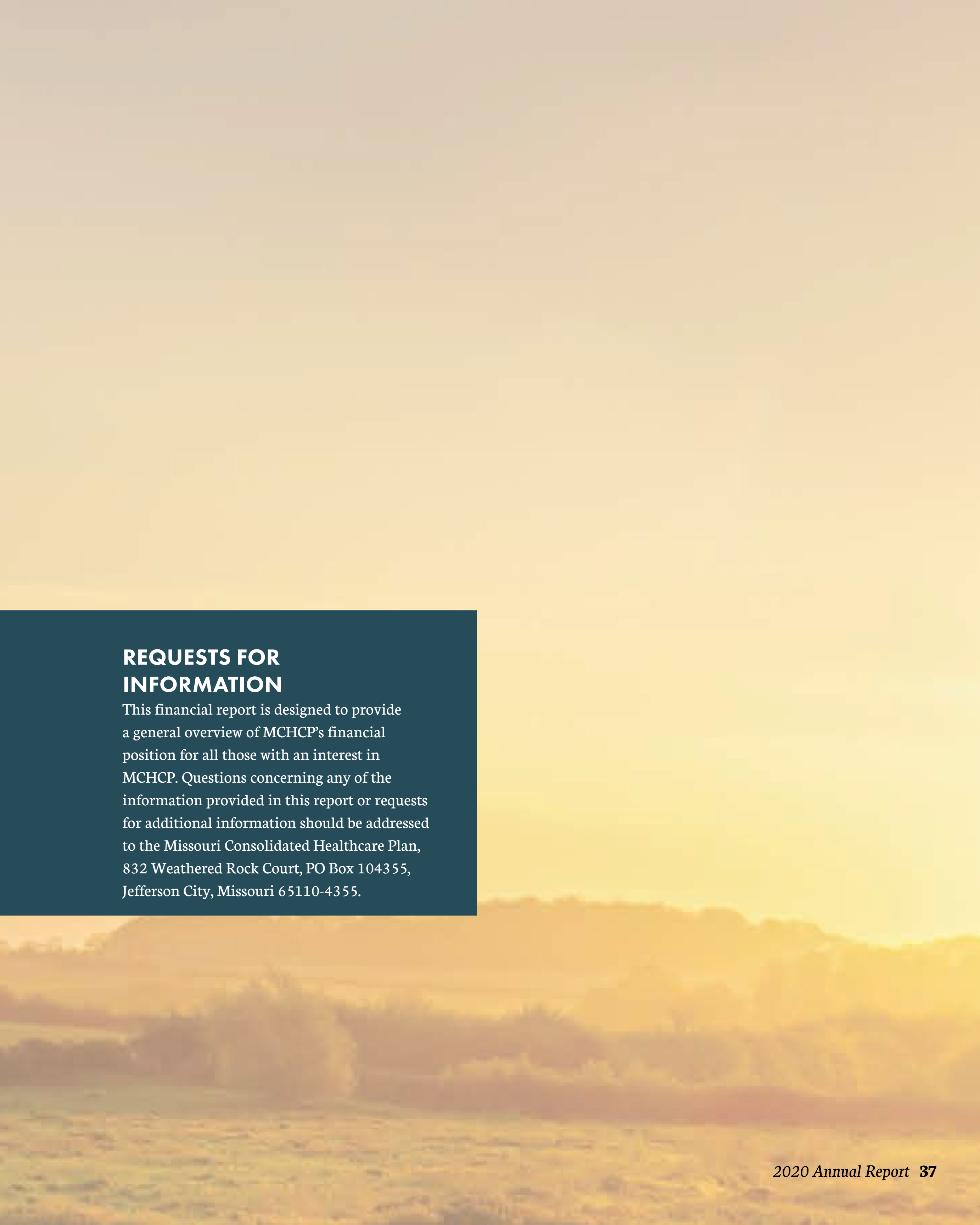
SUMMARY

MCHCP remains committed to providing comprehensive and affordable health care to the members we serve, effectuating sound fiscal practices as stewards of Plan resources, and remaining diligent in our efforts in providing member education to facilitate member satisfaction and cost containment. Wellness and disease management programs are incorporated in an effort to promote healthy member outcomes, engage members in their health, and to promote cost containment. Operating expenses and vendor costs remained relatively stable due to competitive procurement with investments in technology and automation in Plan operations. Medical and pharmacy costs reflect expected fluctuations due to increases in high cost claimants, the emergence of specialty drug cost prevalence and anticipated medical claim trends. Self-funded expenditures, are indicative of the attention to health risk profiles of the MCHCP population and management initiatives surrounding benefit design, care management and wellness. For over six years, the Plan's *Strive for Wellness®* Health Center has offered an additional opportunity to promote appropriate utilization, provide members with additional access to services, while continuing to pursue avenues for cost containment. The health center continues to report optimum member satisfaction results in excess of 99% while continuing to provide opportunities for members to pursue health management in a convenient setting.

MCHCP's cash is invested conservatively to preserve principal and maintain liquidity. In addition, the Plan utilizes a master investment policy and instruments are predicated on an asset allocation model approved by the Board of Trustees. Investment income for the ISF and SRWBT consists of interest income, unrealized gains and losses in fair value, accretion of discounts, and amortization of premiums. Investment income for the ISF and the SRWBT in total was realized in the amount of $3,858,286 and $7,379,751 for the fiscal year's ended June 30, 2020 and 2019, respectively, and is predicated on the availability of investable assets and the economic conditions influencing market conditions.

MCHCP's actuary reviews the financial assets of MCHCP in conjunction with obligations and the funding available as provided by the Missouri General Assembly. Due to the state of economic conditions facing the State, the MCHCP, members of the General Assembly, and the State's Office of Budget and Planning meet regularly to discuss funding needs and projected claims expenditures in an effort to develop funding levels for the Plan. Ultimately, the funding of claims costs are backed by the State of Missouri should contributions be unable to meet claims obligations.

During the years presented, MCHCP faced a tightened State budget, which compelled it to continue to pursue opportunities in cost containment, member engagement in healthy outcomes and changes to benefit offerings. Combined with expected continued escalation in health care costs, MCHCP faces significant challenges in an effort to provide affordable health care coverage to its members. As a result, MCHCP has explored a full range of viable options to accommodate the State budget while continuing to offer comprehensive and affordable coverage to its members. Wellness and care management programs that encourage member engagement are the progressive instrument to continue to foster healthier outcomes and reduce claims expenditures. MCHCP's wellness incentives are designed to incorporate and promote best in class initiatives. The overall financial position of MCHCP is reliant upon state funding, cost contain-ment and comprehensive benefits review of the self-funded programs to continue to generate a healthier membership in MCHCP.



REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MCHCP's financial position for all those with an interest in MCHCP. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Missouri Consolidated Healthcare Plan, 832 Weathered Rock Court, PO Box 104355, Jefferson City, Missouri 65110-4355.

Statement of Net Position

Internal Service Fund as of June 30, 2020

ASSETS	
Current Assets	
Cash & cash equivalents	$135,346,364
Rebates & other receivables	16,175,086
Prepaid expenses	383,827
Total Current Assets	$151,905,277
Noncurrent Assets	
Capital Assets	
Furniture, fixtures & equipment, net of accumulated depreciation of $1,734,396	177,984
Total Noncurrent Assets	$177,984
Deferred Outflow of Resources	1,680,300
Total Assets and Deferred Outflow of Resources	$153,763,561
LIABILITIES	
Current Liabilities	
Accrued medical claims & capitation fee expense	$44,935,247
Accounts payable & accrued expenses	713,878
Due to SRWBT	24,144,321
Deferred premium revenue	22,123,651
Total Current Liabilities	$91,917,097
Noncurrent Liabilities	
Net pension liability	8,931,796
Total Noncurrent Liabilities	$8,931,796
Deferred Inflow of Resources	246,231
Total Liabilities and Deferred Inflow of Resources	$101,095,124
Net Position	
Unrestricted	$52,490,453
Net investment in capital assets	177,984
Total net position	$52,668,437
Total Liabilities, Deferred Inflow of Resources and Net Position	$153,763,561

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenses & Change in Net Position

Internal Service Fund for the year ended June 30, 2020

Operating Revenues	
State/employer contributions	$401,388,126
Member contributions	74,873,802
Public entity contributions	7,423,514
Pharmacy rebates	31,653,218
Total Operating Revenues	$515,338,660
Operating Expenses	
Medical claims & capitation expense	$439,515,651
Claims administration services	9,937,642
Payroll & related benefits	3,837,791
Health management	3,838
Administration	893,416
Professional services	520,595
Employee assistance program	441,011
Total Operating Expenses	$455,149,944
Operating revenues over (under) operating expenses	60,188,716
Non-Operating Revenues	
Investment & other income	1,103,352
Change in net position	$61,292,068
Net position, beginning of year	($8,623,632)
Net Position, End of Year	**$52,668,436**

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

Internal Service Fund year ended June 30, 2020

Cash Flows from Operating Activities	
Cash received from State, employer, members & public entities	**$520,304,417**
Cash payments for medical claims & capitation fee payments	**($440,103,543)**
Cash payments to employees for services	**($2,762,506)**
Cash payments to other suppliers of goods & services	**($11,604,384)**
Net Cash Provided by Operating Activities	**$65,833,984**
Cash Flows from Noncapital Financing Activities	
Changes in amounts due to SRWBT	**$14,628,520**
Cash Flows from Capital & Related Financing Activities	
Purchase of furniture, fixtures & equipment	**($68,580)**
Cash Flows from Investing Activities	
Cash received from investment income; net of investment expenses	**$1,103,352**
Purchase of investments	**-**
Proceeds from investments	
Net cash provided by Investing Activities	**$1,103,352**
Net increase in Cash & Cash equivalents	**81,497,276**
Cash & Cash Equivalents, Beginning of Year	**53,849,088**
Cash & Cash Equivalents, End of Year	**$135,346,364**
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating revenues under operating expenses	**$60,188,716**
Adjustments	
Adjustments to net cash used by operating activities	
Depreciation	**110,671**
Pension expense	**1,697,616**
Changes in Assets & Liabilities	
Rebates & other receivables	**($70,309)**
Prepaid expenses	**$13,402**
Accrued medical claims & capitation fees	**($587,892)**
Accounts payable & accrued expenses	**$68,044**
Unearned premium revenue	**$5,036,067**
Deferred outflows - contributions after the measurement date	**($622,331)**
Total Adjustments	**$5,645,268**
Net Cash Provided By Operating Activities	**$65,833,984**
Noncash investing, capital & financing activities	
Change in fair value of investments	-

The accompanying notes are an integral part of the financial statements.

Statement of Fiduciary Net Position

State Retiree Welfare Benefit Trust as of June 30, 2020

ASSETS	
Cash & cash equivalents	**$1,949,054**
Due from MCHCP	**24,144,321**
Investments, at fair value	
U.S. Agencies	**30,683,790**
Mutual Funds	**20,056,114**
U.S. Government guaranteed mortgages	**19,278,410**
Equity	**19,562,484**
Corporate	**23,225,461**
Collateralized mortgage obligations	**8,916,767**
U.S. Treasury	**299,954**
Receivables	
Prescription drug rebates	**22,483,459**
Other receivables	**360,985**
Total Assets	**$170,960,799**
LIABILITIES	
Accrued medical claims & capitation fees	**$4,965,908**
Unearned revenue	**5,834,861**
Other liabilities	**268,014**
Total Liabilities	**$11,068,783**
Net Position, Held in Trust For Other Post-Employment Benefits	**$159,892,016**

The accompanying notes are an integral part of the financial statements.

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust for the fiscal year ended June 30, 2020

Additions	
Employer contributions	$72,338,734
Retiree contributions	43,318,278
Investment income	2,754,934
Retiree drug subsidy & other rebates	48,172,196
Total Additions	**$166,584,142**
Deductions	
Medical claims & capitation expense	138,933,653
Claims administration services	4,412,024
Administration & other	2,896,632
Total Deductions	**$146,242,309**
Net Increase	20,341,833
Net Position restricted for pensions	
Beginning of Year	139,550,183
End of Year	**$159,892,016**

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. GENERAL INFORMATION

The Missouri Consolidated Health Care Plan (the Plan) was statutorily created and organized on January 1, 1994, with the purpose of providing medical insurance benefits to the State of Missouri's (State) employees, retirees and their dependents as well as other Missouri public entity employees, retirees and their dependents. Prior to 1994, medical insurance benefits for the State's employees, retirees and their dependents were provided by Missouri State Employees' Retirement System (MOSERS) medical care plan. On January 1, 1994, through a transfer agreement between the Plan and MOSERS, all medical care plan assets and liabilities were transferred to the Plan.

The Plan currently has approximately 92,000 active and retired State members and dependents, 973 public entity members and dependents, and nearly 93,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

State contribution rates are based on the State's approved appropriation and the number of anticipated participants. State employee and public entity contribution rates are established by the Plan's Board of Trustees based on contractor bids for the plan year and budgeted employer contributions.

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible retirees. As a result of the implementation of GASB Statement No. 43, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SWRBT) to handle the post-employment benefits for State employees. GASB Statement No. 43, was supplanted when in June 2015, GASB issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* which is to be instrumental in improving financial reporting by state and local governmental postemployment benefit plans other than pension plans. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* was also issued in June 2015 adding the requirement of recognition for the Other Postemployment Benefits (OPEB) liability in its entirety and a more comprehensive measurement of OPEB expense effective for the fiscal year ended June 30, 2018.

SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements except for those retired members covered by other post-employment benefit (OPEB) plans of the State. The SRWBT is considered a cost-sharing multiple employer plan because it covers various State agencies and legally separate component units. It is administered by Plan staff under the direction of the Plan Board of Trustees. The SRWBT does not issue a separate audited financial report.

Since June 30, 2009, the net position and activity related to active participants are reported in the Internal Service Fund (ISF), and the net position and activity related to retired participants are reported in the SRWBT in the accompanying financial statements. In the following footnotes, the term "the Plan" refers to both the ISF and SRWBT. Disclosures that are specific to the ISF or SRWBT are separately noted.

The Plan is considered a part of the State's financial reporting entity and is included in the State's financial report as a component unit. As the Plan is considered a political subunit of the State and provider of essential governmental services, it is not subject to federal income taxes, nor to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is administered according to Missouri statutes. These statutes do not include a provision for the termination of the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the ISF are intended to present the financial position and the changes in cash flows of only that portion of the activities attributable to the transactions of the ISF. The ISF is accounted for as a proprietary fund.

The Plan's financial statements for the ISF were prepared using the accrual basis of accounting, in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, establishes the GAAP hierarchy for proprietary funds. The financial statements of the SRWBT are intended to present the financial position and the changes in cash flow of only that portion of the activities attributable to the transactions of the SRWBT.

Benefits and refunds of the SRWBT are recognized when due and payable in accordance with the terms of the plan. The SRWBT is accounted for as a fiduciary fund. Accordingly, the financial statements are prepared using the accrual basis of accounting in conformity with GAAP.

Subsequent Events

The Plan has evaluated subsequent events through December 9, 2020, the date the financial statements were available for issue.

B. Method Used to Value Investments

Investments are reported at fair value on a trade-date basis with changes in fair value recorded in investment income on the statement of revenues, expenses and change in net position. Investments are recorded at fair value as determined by quoted market price, when available, or estimated fair value when not available. Many factors are considered in arriving at that fair market value. In general, however, bonds and mortgages are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Realized gains and losses are based on the specific identification basis. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses.

C. Deposits & Investments

The Plan considers all highly liquid investments, readily convertible into cash with original maturities of three months or less, to be cash equivalents.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not be able to recover deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan requires the bank to sweep the accounts each night into overnight repurchase agreements for which the underlying securities must be of the type approved by the State. All remaining cash balances are to be insured or appropriately collateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, the Plan would not be able to recover the value of investments or collateral securities in the possession of an outside party. The Plan does not have a formal policy regarding custodial credit risk. However, the bank acting as the investment manager has been approved by the Plan's Board of Trustees.

Deposits

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested in overnight repurchase agreements, thus causing a negative carrying value.

At June 30, 2020, cash held in the financial institution had a bank balance of $46,126 and a carrying value of ($1,207,592). Of the bank balance, $46,126 was covered by federal depository insurance. The remaining $138,503,010 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 17 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2020.

Investments

The Plan's investment policy for the ISF is predicated on the primary objectives of safety, liquidity, and yield, in order of priority. Investments in bankers' acceptances and commercial paper are required to mature and become payable not more than 180 days from the date of purchase. All other investments are required to mature and become payable not more than five years from the date of purchase. The weighted average life should not exceed three years and should be consistent with the investment objectives.

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 33 percent to equities. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. The Plan follows the "prudent person" rule for investment

decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this "prudent person" rule.

Additional information regarding investment services can be found in the Investments section of this report. As of June 30, 2020, the Plan had the following investments as presented below.

Investments

State Retiree Welfare Benefit Trust

Investments	2020 Fair Value
U.S. Governent Agencies (AGCY)	**$30,683,790**
Mutual Funds	**20,056,114**
U.S. Government Guaranteed Mortgages	**19,278,410**
Equity	**19,562,484**
Corporate	**23,225,461**
Collateralized Mortgage Obligations (CMO)	**8,916,767**
U.S. Treasury	**299,954**
Total Investments	**$122,022,980**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the ISF's investment in a single issue. To mitigate this risk, the ISF's investment policy provides general guidelines on diversification.

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating 33 percent to equities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2020 are presented below.

Credit Risk

State Retiree Welfare Benefit Trust

Investments	2020 Fair Value	2020 Ratings
U.S. Agencies	$30,683,790	Aaa
Mutual Funds	20,056,114	3-Star
U.S. Government Guaranteed Mortgages	19,278,410	Aaa
Equity	19,562,484	A
Corporate	23,225,461	A
Collateralized Mortgage Obligations	8,916,767	Aaa
U.S. Treasury	299,954	Aaa
Total Investments	**$122,022,980**	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan minimizes this risk by structuring the portfolio so securities mature to meet cash requirements for ongoing operations, using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales that could result in a loss of principal and, maintaining the operating funds primarily in repurchase agreements according to the banking contract.

For the interest rate risk measurement for the Plan, Central Bank employs the duration method. The maturities of the Plan's investments as of June 30, 2020 are presented below.

Interest Rate Risk

State Retiree Welfare Benefit Trust

Investments	2020 Fair Value	2020 Duration
U.S. Agencies	**$30,683,790**	**1.06**
Mutual Funds	**20,056,114**	**-**
U.S. Government Guaranteed Mortgages	**19,278,410**	**2.76**
Equities	**19,562,484**	**-**
Corporate	**23,225,461**	**3.42**
Collateralized Mortgage Obligations	**8,916,767**	**2.64**
U.S. Treasury	**299,954**	**0.01**
Total Investments	**$122,022,980**	

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no investments subject to foreign currency risk.

Fair Value Measurement

MCHCP categorizes its fair value measurements with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The hierarchy for fair value is as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets available at the measurement date.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; and model derived valuations in which all significant inputs are corroborated by observable market data.

Level 3 – Valuations derived from valuation methodology in which significant inputs are unobservable.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified with Level 1 of the fair value hierarchy. MCHCP's Level 1 investments primarily consist of investments in U.S. Treasury obligations for the ISF and U.S. Treasury obligations, equity securities, and mutual funds for the SRWBT. When quoted prices in active markets are not available, fair values are based on evaluated prices received from MCHCP's custodian of investments in conjunction with a third party pricing service and are reported with Level 2 of the fair value hierarchy. The inputs for Level 2 include, but are not limited to, pricing models such as benchmarking yields, reported trades, broker-dealer quotes, issuer spreads and benchmarking securities, among others. MCHCP's Level 2 investments consist of investments for both the ISF and SRWBT of U.S Agency and Mortgage Backed Securities and additionally for the SRWBT Corporate and Collateralized Mortgage Obligations. MCHCP did not maintain any Level 3 investments.

Investments

State Retiree Welfare Benefit Trust

Investments	Fair Value June 30, 2020	Fair value measurement at report date using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. Governent Agencies (AGCY)	**$30,683,790**	**-**	**$30,683,790**	**-**
Exchange Traded Products (ETPS)	**20,056,114**	**20,056,114**	**-**	**-**
Mortgage Backed Securities (MBS)	**19,278,410**	**-**	**19,278,410**	**-**
Equity	**19,562,484**	**19,562,484**	**-**	**-**
Corporate	**23,225,461**	**-**	**23,225,461**	**-**
Collateralized Mortgage Obligations (CMO))	**8,916,767**	**-**	**8,916,767**	**-**
U.S. Treasury	**299,954**	**299,954**	**-**	**-**
Total	**$122,022,980**	**$39,918,552**	**$82,104,428**	**-**

D. Interfund Activity & Balances

As disclosed above, the ISF provides all administrative responsibilities related to SRWBT, which has no separate facilities or staff. Expenses directly attributable to SRWBT are charged to SRWBT. Other operating expenses, including personnel, are allocated between the ISF and the SRWBT based on participant counts for retired and active participants.

The balance of the inter fund receivable/payable represents the excess of SRWBT contributions collected by the ISF Plan over expenses paid by the ISF Plan for SRWBT.

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the year ended June 30, 2020, these rebates are allocated between the ISF and the SRWBT based upon their respective claims activity. Estimated revenue is recognized for rebates based on prescription claims counts, historical average rebate per claim, and actual receipts.

Other receivables include interest income and member premium amounts.

F. Furniture, Fixtures & Equipment

Furniture, fixtures and equipment are capitalized at cost when acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over a 10-year useful life. Data processing equipment is depreciated over a five-year useful life. The threshold for the capitalizing of fixed assets is $1,000.

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as non-operating gains or losses in the statement of revenues, expenses and change in net position. The changes in Furniture, Fixtures and Equipment for the year ended June 30, 2020 are as presented in the chart below.

Furniture, Fixtures & Equipment

Missouri Consolidated Health Care Plan

	2020
Additions	
Balance, beginning of year	**$2,152,654**
Additions	**68,580**
Deletions	**(308,854)**
Balance, End of Year	**$1,912,380**
Accumulated Depreciation	
Balance, beginning of year	**$1,932,568**
Depreciation expense	**110,671**
Deletions	**(308,843)**
Balance, End of Year	**$1,734,396**

G. Plan Funding

State Appropriations/Contributions

Funds are appropriated to the Plan by the Missouri State General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks, and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal year 2020, averaged $947 per month. The State's contribution per member to fund the current fiscal year cost of retiree plan benefits for the year ended June 30, 2020, averaged 4.32% of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2020. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

Member Premiums

Monthly member premiums for State employees are established annually by the Plan's Board of Trustees. These premiums are deducted from employee payroll checks in advance. Additionally, the Plan bills members who are not receiving payroll checks two weeks in advance.

Public Entity Premiums

Monthly public entity premiums are established annually by the Plan's Board of Trustees. The Plan bills the public entities two weeks in advance.

Deferred Premium Revenue

Deferred premium revenue includes premium revenue from the members, public entities and the State received in advance of the month coverage is provided.

Operating/Non-operating Revenues

Operating revenues and expenses reflect items directly related to providing health benefits to members. Non-operating revenues and expenses represent investment income and other items not directly related to providing health benefits to members.

H. Other Post-Employment Benefits

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2020, there were 22,256 retirees and their dependents who met these eligibility requirements.

For the year ended June 30, 2020, expenditures (net of retiree contributions) of $108.3 million were recognized for post-retirement medical insurance coverage under the self-funded PPO.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented on the opposite page.

Summary of Key Actuarial Methods & Assumptions

State Retiree Welfare Benefit Trust

Valuation Year
July 1, 2019 - June 30, 2020

Actuarial cost method	**Entry age normal, level percentage of payroll**
Amortization method	**30 years, open, level percent of pay**
Asset Valuation method	**Market value**

Actuarial Assumptions

Discount Rate:	
June 30, 2019	**5.24%**
June 30, 2020	**4.38%**
Projected payroll growth rate	**4.0%**
Inflation Rate	**3.0%**

Health care cost trend rate (Medical & prescription drugs combined)

Non-Medicare: 5.75% in fiscal year 2020, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2023 and after. Medicare: 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate rate of 5.00% in fiscal year 2030 and after.

Employer Disclosures

Participating employers, upon their implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* are required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. Employer disclosures for MCHCP can be found in footnote M.

I. Medical Claims & Capitation

As of June 30, 2020, the Plan insured approximately 69 percent of its members through PPO contracts, 17 percent in a fully insured group Medicare Advantage (PPO) plan, and 14% in a High Deductable Health Plan. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members.

The liability for estimated accrued claims and processing costs is based on an actuarial estimate of the ultimate cost of settling such claims due and payable as of the balance sheet date (including claims reported and in process of settlement, claims reported but not yet processed for settlement, and claims incurred for services provided but not yet reported or processed for settlement). The estimated actuarial liability reflects certain assumptions, which include such factors as enrollment and utilization. Adjustments to the estimated actuarial liability for the final settlement of claims will be reflected in the year that actual results of the settlement of the claims are made and are known.

As of June 30, 2020, $2,544,155 is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, $47,357,000 at June 30, 2020, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan's self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal year 2020 is presented below.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	2020
Balance at beginning of year	$42,820,000
Current year claims & changes in estimates	439,515,651
Claim payments	(439,737,651)
Balance at End of Year	**$42,598,000**

Summary of Changes in Estimated Accrued Claims

State Retiree Welfare Benefit Trust

Balances	2020
Balance at beginning of year	$5,569,000
Current year claims & changes in estimates	138,933,653
Claim payments	(139,743,653)
Balance at End of Year	**$4,759,000**

J. Retirement Plan

General Information About the Pension Plan

Plan description. Benefit eligible employees of MCHCP are provided with pensions through the Missouri State Employees' Retirement System (MOSERS) – a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 31.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2020, was 21.77 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from MCHCP were $622,331 for the year ended June 30, 2020.

Net Pension Liability. At June 30, 2020, MCHCP reported a liability of $8,931,796, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS CAFR as of June 30, 2019 to determine the net pension liability.

MCHCP's proportion of the net pension liability was based on MCHCP's actual share of the contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2019. At the June 30, 2019 measurement date, MCHCP's proportion was 0.14785 percent, a decrease from its proportion measured using 0.1499 percent as of June 30, 2018, measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2019, that affected the measurement of total pension liability.

Assumptions. The total pension liability in the June 30, 2019 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.35%
Salary increases	2.85% to 8.35% (MSEP) 2.6% to 4.8% (Judicial Plan)
Wage Inflation	2.35%
Investment rate of return	7.10%

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study covering the five year period ended June 30, 2015, that was performed in 2016. In addition, based upon this study, the Board voted to reduce the investment return assumption to 7.25% with a 2.5% inflation assumption, effective June 30, 2018; then to 7.10% with a 2.35% inflation assumption, effective June 30, 2019; and then to a 6.95% with a 2.25% inflation assumption, effective June 30, 2020 and thereafter.

Mortality. Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

Long Term Expected Rate of Return. The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected for both the old and new portfolio are summarized in the following table:

Asset Class Allocation - Old Portfolio

Asset Class	Policy Allocation	Long-term Expected-Nominal Return**	Weighted Average Long-Term Expected Nominal Return
Opportunistic global equity	38.0%	8.3%	3.1%
Nominal bonds	44.0	3.3	1.5
Commodities	20.0	7.8	1.6
Inflation-protected bonds	39.0	2.4	0.9
Alternative beta	31.0	6.6	2.0
Cash and Cash Equivalents **	(72.0)	-	(0.7)
	100%		8.4
Correlation/Volatility Adjustment			(0.7)%
Long-Term Expected Net Nominal Returns			7.7%
Long-Term Expected Geometric Net Real Returns			5.2%

**Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.*
***Cash and cash equivalents policy allocation amounts are negative due to the use of leverage.*

Asset Class Allocation - New Portfolio

Asset Class	Policy Allocation	Long-term Expected-Nominal Return**	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	2.3%
Global private equities	15.0	9.3	1.4
Long treasuries	25.0	3.5	0.9
Core bonds	10.0	3.1	0.3
Commodities	5.0	5.5	0.3
TIPS	25.0	2.7	0.70
Private real assets	5.0	7.1	0.3
Public real assets	5.0	7.7	0.4
Hedge funds	5.0	4.8	0.2
Alternative beta	10.0	5.3	0.5
Private credit	5.0	9.5	0.5
Cash and cash equivalents**	(40.0)	-	-
	100.0%		7.8
Correlation/Volatility Adjustment			(0.6)
Long-Term Expected Net Nominal Return			7.2%
Long-Term Expected Geometric Net Real Return			5.3%

**Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.*
***Cash and cash equivalents policy allocation amounts are negative due to the use of leverage.*

Discount rate. The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate. The following presents MCHCP's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what MCHCP's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.10) percent or 1 percentage point higher (8.10) percent than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
MCHCP's proportionate share of the net pension liability	**$11,267,888**	**$8,931,796**	**$6,967,711**

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Pension Expense. For the year ended June 30, 2020, MCHCP recognized pension expense of $1,697,616.

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2020, MCHCP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$7,615	$103,828
Changes of assumptions	356,889	0
Net difference between projected and actual earnings on pension plan investments	693,466	0
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	0	142,403
MCHCP contributions subsequent to the measurement date of 6-30-19	622,331	-----
Total	**$1,680,301**	**$246,231**

MCHCP amounts reported as deferred outflows of resources related to pensions resulting from MCHCP contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021, of MCHCP's financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in MCHCP's fiscal year following MOSERS' fiscal year as follows:

Projected Recognition of Deferred Outflows/(Inflows)

Plan Year ending June 30:

2020	444,148
2021	214,984
2022	77,657
2023	74,951
Thereafter	-

Payables to the pension plan. As of June 30, 2020, MCHCP did not report any payables to MOSERS.

K. Deferred Compensation Plan

The State of Missouri Deferred Compensation Plan is a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The Plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. MOSERS has retained ICMA-RC for participant account record keeping and processing services since November 2011. The Plan offers all state employees the opportunity to save for retirement with before and after tax (Roth) money. New permanent full-time and part-time employees are automatically enrolled in the plan at a 1% contribution per pay period made via payroll deduction.

Audited financial statements for the State of Missouri Deferred Compensation Plan can be viewed online at www.modeferredcomp.org.

L. Employee Assistance Program

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through ComPsych, offers six free mental health counseling sessions per problem, per year and can be accessed 24 hours a day through a toll-free number.

M. Post-Employment Retiree Health Care

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2020, there were 22,256 retirees and their dependents who met these eligibility requirements. For the year ended June 30, 2020, expenditures (net of retiree contributions) of $108.3 million were recognized for post-retirement medical insurance coverage under the self-funded PPO Plan. In addition to the pension benefits described in Note J, the Plan operates a cost sharing multiple employer, defined benefit OPEB plan, the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees' Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178.

Plan Membership. At June 30, 2020, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits - 16,529

Inactive plan members entitled to but not yet receiving benefits*- 0

Active plan members - 35,296

Active/Inactive plan members who may become eligible to receive benefits - 3,572

*Once an inactive member (retiree, survivor, disabled, or vested) member terminates his/her coverage, he/she is not eligible to re-enroll at a later date.

Basis of Accounting. The SRWBT Plan's financial statements are prepared using the accrual basis of accounting, in accordance with GASB Statement No. 74. The assets of the SRWBT are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the plan. The SRWBT does not issue a separate financial report.

Contributions. Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. The Plan contributes 2.5% of the Plan's PPO 1250 plan premium for each year of the employee's service capped at a maximum contribution of 65%. For the year ended June 30, 2020, participants contributed $43.3 million toward their required contributions.

Investments. The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. No significant changes in the SRWBT investment strategy occurred during the reporting period. The following was the asset allocation at June 30, 2020:

Asset Class	Target Allocation	Long-Term Nominal Rate of Return
Domestic LC Equity	17%	6%
Domestic MC Equity	6%	6%
Domestic SC Equity	7%	6%
Global Equity	4%	7%
Domestic Fixed Income	64%	2%
Cash Equivalents	2%	1%
	100%	

Rate of Return. For the year ended June 30, 2020, the annual money weighted rate of return on investments, net of investment expense, was 3.01%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial valuations are developed based upon economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience are free of bias, and include demographic actuarial assumptions that are considered to be reasonable and within a best projection range as described by the Actuarial Standards of Practice. Future actuarial measurements may differ from the current measurements presented in this report due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

Actuarial Methods and Assumptions. The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. The cost method utilized for the valuation year June 30, 2019, was the entry age normal, level percent of pay. Actuarial assumptions include a discount rate of 5.24%, a trend rate for non-Medicare benefits of 6.00% in fiscal year 2019, then decreasing by 0.25% per year until achieving an ultimate rate of 5.0% in fiscal year 2023. The UAAL is amortized as a level percent of pay on an open basis, over a 30 year period.

OPEB Liability Assumptions

General Inflation Rate	3.00%
Discount Rate	4.38%
Expected Return on Assets	4.50%
Municipal Bond Rate	2.21%
Compensation/Salary Increases	4.00%
Health Care Cost Trend Rate (Med and RX)	Non-Medicare 5.75% in fiscal 2020, decreasing by 0.25% per year until an ultimate of 5.00% in 2023. Medicare 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate of 5.00% in fiscal year 2030 and after.
Administration expense	$202 per person

Net OPEB Liability. The net OPEB liability under GASB 74 was calculated utilizing census data at 7/01/2018. Net OPEB liability as of June 30, 2020, was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by the actuarial valuation as of June 30, 2020, and is presented below.

Net OPEB Liability
(in thousands)

	2020
Net OPEB Liability Components:	
Total OPEB Liability	**$1,941,066**
Plan Fiduciary Net Position	**159,892**
Net OPEB Liability	**1,781,174**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	**8.24%**

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates *(in thousands)*

	1% Decrease in Discount Rate (3.38%)	Current Discount Rate (4.38%)	1% Increase in Discount Rate (5.38%)
Net OPEB Liability	**$2,134,875**	**1,781,174**	**1,504,060**

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	**$1,499,000**	**1,781,174**	**2,141,594**

Development of Discount Rate. The discount rate was determined as a blend of the best estimate of the expected return on plan assets and, the 20 year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal bond rate is utilized.

MCHCP as an entity is funded through the administrative expense charged to other component units through the contribution rate in accordance with GASB Statement No. 75, A*ccounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* All state agencies and component units are included in the state's post employment retiree health care calculations.

For fiscal year 2020, MCHCP contributed $123,676 for its employees in accordance with the state's funding policy for post employment retiree health care. These financial statements include the OPEB Plan in which MCHCP participates.

N. Risk and Uncertainties.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. While this matter is expected to produce global impact, the related financial impact cannot be reasonably estimated at this time.

Required Supplementary Information

Schedule of Claims Development

State Actives & Retirees

	2020 **Total**	2020 **Active**	2020 **Retiree**
Fiscal Year	July 1, 2019- June 30, 2020	July 1, 2019- June 30, 2020	July 1, 2019- June 30, 2020
Required contribution & investment income	**$675,597,775**	**$509,013,633**	**$166,584,142**
Administrative and third-party expenses	**22,942,949**	**15,634,293**	**7,308,656**
Estimated Incurred Claims & Expenses End of Policy Year	**$652,659,690**	**$493,382,697**	**$159,276,993**
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2019- June 30, 2020	July 1, 2019- June 30, 2020	July 1, 2019- June 30, 2020
End of Policy Year	**$437,657,000**	**$343,166,000**	**$94,491,000**
One year later	-	-	-
Two years later	-	-	-
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2019- June 30, 2020	July 1, 2019- June 30, 2020	July 1, 2018- June 30, 2019
End of policy year	**$473,100,000**	**$375,136,000**	**$97,964,000**
One year later	-	-	-
Two years later	-	-	-
Increase (Decrease) in Estimated Incurred Claims & Expenses from End of Policy Year	**$179,554,826**	**$118,243,340**	**$61,311,486**

2019 **Total**	2019 **Active**	2019 **Retiree**	2018 **Total**	2017 **Total**
July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2017- June 30, 2018	July 1, 2016- June 30, 2017
$690,093,316	**$508,478,334**	**$181,614,982**	**$602,658,593**	**$584,375,177**
22,034,498	**15,162,160**	**6,872,338**	**23,583,320**	**25,352,238**
$668,058,818	**$493,316,174**	**$174,742,644**	**$579,075,273**	**$559,022,939**
July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2017- June 30, 2018	July 1, 2016- June 30, 2017
$501,411,000	**$391,444,000**	**$109,967,000**	**$508,659,000**	**$481,509,000**
-	-	-	**557,451,000**	**531,799,000**
-	-	-	-	**532,217,000**
July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2018- June 30, 2019	July 1, 2017- June 30, 2018	July 1, 2016- June 30, 2017
$544,543,000	**$429,594,000**	**$114,949,000**	**$560,911,000**	**$526,392,000**
-	-	-	**557,845,000**	**532,481,000**
-	-	-	**0**	**532,217,000**
$123,515,818	**$63,772,174**	**$59,793,644**	**$18,164,273**	**$32,630,939**

Summary of Key Actuarial Methods and Assumptions

State Retiree Welfare Benefit Trust

Fiscal Year	2020	2019	2018
Valuation Year	July 1, 2019- June 30, 2020	July 1, 2017 June 30, 2018	July 1, 2017 June 30, 2018
Actuarial cost method	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**
Amortization method	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**
Asset valuation method	**Market Value**	**Market Value**	**Market Value**
Actuarial Assumptions			
Discount Rate	**June 30,2019 5.24%** **June 30,2020 4.38%**	**5.24%**	**5.9%**
Projected payroll growth rate	**4.0%**	**4.0%**	**4.0%**
Health care cost trend rate (Medical & prescription drugs combined)	Non-Medicare 5.75% in fiscal year 2020, then decreasing by 0.25% per year until an ultimate of 5.00% in fiscal 2023 and after. Medicare 10.00% in fiscal year 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate rate of 5.00% in fiscal year 2030 and after.	Non Medicare 6.00% in fiscal year 2019; decreasing by 0.25% per year until an ultimate of 5.00% in 2023. Medicare 10.0% in fiscal year 2019 and 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00 % in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year until an ultimate of 5.00% in fiscal year 2030 and after	Non Medicare 6.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in 2023. Medicare 7.25% in fiscal year 2018; decreasing by 0.25% per year until an ultimate of 5.00% in fiscal year 2027 and after.

2017	2016	2015	2014
July 1, 2016- June 30, 2017	July 1, 2015- June 30, 2016	July 1, 2014- June 30, 2015	July 1, 2013- June 30, 2014
Entry age normal, level percent of pay	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**	**Entry age normal, level percent of pay**
30 years, open, level percent of pay	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**	**30 years, open, level percent of pay**
Market Value	**Market Value**	**Market Value**	**Market Value**
5.71%	**6.0%**	**6.0%**	**6.0%**
4.0%	**4.0%**	**4.0%**	**4.0%**
Non Medicare is 6.5% for fiscal year 2017; the rate decreases by 0.25% per year to an ultimate rate of 5% in fiscal year 2023 and later. Medicare is 7.5% for fiscal year 2017; the rate decreases by 0.25% per year until reaching the ultimate rate of 5.0% in fiscal year 2027 and after.	Non Medicare is 6.5% for fiscal year 2016; the rate decreases by 0.3% per year to an ultimate rate of 5% in fiscal year 2021 and later. Medicare is 6.6% for fiscal year 2016; the rate decreases by 0.4% per year through fiscal year 2019, then by 0.2% per year until reaching the ultimate rate of 5% in fiscal 2021 and later.	Non-Medicare is 6.8% for fiscal year 2015; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in fiscal year 2021 & later. Medicare is 7.0% for fiscal year 2015; the rate decreases by 0.4% per year through fiscal year 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in fiscal year 2021 & later.	Non-Medicare is 7.1% for fiscal year 2014; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in fiscal year 2021 & later. Medicare is 7.4% for fiscal year 2014; the rate decreases by 0.4% per year through fiscal year 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in fiscal year 2021 & later.

Schedule of Changes in the Net OPEB Liability and Related Ratios

(in thousands)

Fiscal Year Ending

	2020	2019	2018	2017
Total OPEB liability				
Service cost	**$36,901**	**$30,949**	**$31,360**	**$29,158**
Interest	**100,513**	**112,057**	**107,769**	**104,472**
Changes in benefit terms	**-**	**(67,962)**	**-**	**-**
Differences between expected and actual experience	**23,400**	**43,317**	**(12,071)**	**-**
Demographic (gains)/losses	**-**	**-**	**-**	**(2,619)**
Changes of assumptions	**(73,307)**	**(38,191)**	**(52,758)**	**-**
Benefit payments	**(54,752)**	**(79,212)**	**(69,090)**	**(66,780)**
Net change in total OPEB liability	**32,755**	**958**	**5,210**	**64,231**
Total OPEB liability - beginning	**1,908,311**	**1,907,353**	**1,902,143**	**1,837,912**
Total OPEB liability - ending (a)	**1,941,066**	**1,908,311**	**1,907,353**	**1,902,143**
Plan fiduciary net position				
Contributions - employer	**72,339**	**82,620**	**68,902**	**67,399**
Contributions - employee	**43,318**	**51,242**	**53,157**	**52,170**
Net investment income	**2,755**	**6,208**	**4,679**	**7,839**
Benefit payments, including refunds of employee contributions	**(138,934)**	**(165,127)**	**(150,607)**	**(142,154)**
Retiree drug subsidy and other rebates	**48,172**	**41,545**	**35,502**	**30,514**
Other	**(7,308)**	**(6,872)**	**(7,142)**	**(7,311)**
Net change in fiduciary net position	**20,342**	**9,616**	**4,491**	**8,457**
Plan fiduciary net position - beginning	**139,550**	**129,934**	**125,443**	**116,985**
Plan fiduciary net position - ending (b)	**159,892**	**139,550**	**129,934**	**125,443**
Net OPEB liability- ending (a) - (b)	**1,781,174**	**1,768,761**	**1,777,419**	**1,776,700**
Plan's fiduciary net position as a percentage of the total OPEB liability	**8.24%**	**7.31%**	**6.81%**	**6.59%**
Covered payroll	**1,601,067**	**1,611,972**	**1,604,410**	**1,609,515**
Net OPEB liability as a percentage of covered payroll	**111.25%**	**109.73%**	**110.78%**	**110.39%**

2016	2015	2014	2013	2012	2011

(Historical information prior to implementation of GASB 74/75 is not required)

(Historical information prior to implementation of GASB 74/75 is not required)

(Historical information prior to implementation of GASB 74/75 is not required)

Schedule of Funding Progress *(in millions)*

State Retiree Welfare Benefit Trust

Fiscal Year Ending	2020	2019	2018	2017
Actuarial Value of Assets (a)	$159.9	$139.6	$129.9	$125.4
Actuarial Accrued Liability (AAL)[1] (b)	$1,908.3	$1,907.4	$1,902.1	$1,837.9
Unfunded/(Overfunded) AAL (UAAL) (b) - (a)	$1,748.4	$1,767.8	$1,772.2	$1,712.5
Funded Ratio (a) / (b)	8.4%	7.3%	6.8%	6.8%
Covered Payroll (c)	$1,601.1	$1,612.0	$1,604.4	$1,609.5
UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]	109.2%	109.7%	110.5%	106.4%

[1] *Total Actuarial Accrued Liability (AAL) was measured as of the beginning of the fiscal year.*

Schedule of Employer Contributions *(in millions)*

State Retiree Welfare Benefit Trust

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution (ADC)	$112.1	$113.4	$113.2	$106.8	$96.6	$103.7	$100.1	$93.4	$100.8	$99.8
Annual Contribution	72.3	82.6	68.9	67.4	66.2	62.6	56.3	54.0	57.1	53.4
Contribution deficiency (excess)	39.8	30.8	44.3	39.4	30.4	41.1	43.8	39.4	43.7	46.4
Covered payroll	1,601.1	1,612.01	1,604.4	1,609.5	1,586.5	1,583.7	1,566.7	1,552.7	1,534.2	1,559.1
Percentage of (ADC) Contributed	64.5%	72.8%	60.9%	63.1%	68.5%	60.4%	56.2%	57.8%	56.6%	53.5%
Contributions as a percentage of covered payroll	4.5%	5.1%	4.3%	4.2%	4.2%	4.0%	3.6%	3.5%	3.7%	3.4%

The state provided benefit payments and administrative costs of $72.3M in fiscal year 2020. The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.

2016	2015	2014	2013	2012	2011
$117.0	$106.9	$102.3	$89.5	$83.6	$117.0
$1,730.7	$1,813.5	$1,649.5	$1,485.6	$1,594.5	$1,730.7
$1,613.7	$1,706.6	$1,547.2	$1,396.1	$1,510.9	$1,613.7
6.8%	5.9%	6.2%	6.0%	5.2%	6.8%
$1,586.5	$1,583.7	$1,566.7	$1,552.7	$1,534.2	$1,586.5
101.7%	107.8%	98.8%	89.9%	98.5%	101.7%

Schedule of Annual Money-Weighted Rate of Return on Investments - OPEB Plan

Year Ended June 30	Annual Money-Weighted Rate of Return - Net of Investment Expense
2020	3.01
2019	4.30
2018	3.83
2017	7.14

NOTE: *This schedule will ultimately contain 10 years of data.*

Schedule of the Proportionate Share of the Net Pension Liability

Missouri Consolidated Health Care Plan

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
MCHCP's Proportion Of The Net Pension Liability (Asset)	**0.14785%**	**0.1499%**	**0.1532%**	**0.1565%**	**0.1600%**	**0.1577%**
MCHCP's Proportionate Share Of The Net Pension Liability (Asset)	**$8,931,796**	**$8,362,210**	**$7,979,229**	**$7,265,764**	**$5,133,995**	**$3,718,668**
MCHCP's Covered Payroll	**$2,858,662**	**$2,913,724**	**$3,016,171**	**$3,031,348**	**$3,095,028**	**$3,144,017**
MCHCP's Proportionate Share Of The Net Pension Liability (Asset) As A Percentage Of Its Covered Payroll	**312.44%**	**286.99%**	**264.55%**	**239.69%**	**165.88%**	**118.28%**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**56.72%**	**59.02%**	**60.41%**	**63.60%**	**72.62%**	**79.49%**

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.*

NOTE: *This schedule will ultimately contain 10 years of data.*

Schedule of Contributions

Missouri Consolidated Health Care Plan

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Required contribution	**$622,331**	**$580,484**	**$566,720**	**$514,420**	**$525,227**	**$514,746**
Contribution in relation to the required contribution	**$622,331**	**$580,484**	**$566,720**	**$514,420**	**$525,227**	**$514,746**
Contribution deficiency (excess)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
MCHCP's covered payroll	**$2,858,662**	**$2,872,260**	**$2,913,724**	**$3,031,348**	**$3,095,028**	**$3,144,017**
Contributions as a percentage of covered payroll	**21.77%**	**20.21%**	**19.45%**	**16.97%**	**16.93%**	**16.37%**

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.*
NOTE: *This schedule will ultimately contain 10 years of data.*

Notes to Required Supplementary Information for the Year Ended June 30, 2020

Changes of benefit terms or assumptions - Pension Plan

Changes of assumptions. *The investment return assumption was lowered from 7.25% to 7.10%. The inflation assumptions were lowered from 2.50% to 2.35%. The general wage growth assumption was lowered from 2.75% to 2.60%. The payroll growth assumption was lowered from 2.50% to 2.35%. The COLA assumption was lowered from 2.00% to 1.88%.*

Changes of benefit terms or assumptions - OPEB Plan

Changes of assumptions. *The discount rate was lowered from 5.24% to 4.38%. The expected return on asset assumption was lowered from 5.50% to 4.50%. Termination and retirement rates and participation and dependent coverage assumptions were updated based upon an experience study conducted in 2020. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2021 rates.*

Schedule of Administrative Expenses for the Year Ended June 30, 2020

State Retiree Welfare Benefit Trust

Third Party Claims Administration Services	**$4,412,024**
Payroll and related Benefits	**1,724,225**
Professional Services	**571,158**
General Administration	**403,113**
Employee Assistance Program	**198,136**
	$7,308,656

Schedule of Investment Expenses for the Year Ended June 30, 2020

State Retiree Welfare Benefit Trust

Central Registered Investment Advisors	**$337,267**

Schedule of Professional Service Fees for the Year Ended June 30, 2020

State Retiree Welfare Benefit Trust

Investment Advisory Services	
Central Bank	**$337,267**
Consulting Services	
IBM Watson Health	**109,540**
Actuarial Services	
Willis Towers Watson, LLC	**85,219**
General Services	
Konica	**1,209**
Close Caption of CO	**223**
Direct Path	**19,065**
Software Consulting	
McCarthy and Company	**9,296**
Auditing Services	
Brown Smith Wallace, LLP	**8,792**
Legal Services	
Stinson, LLP	**547**
	$571,158

Investments

Investment Advisor Statement

Central Bank

November 20, 2020

Dear Board Members,

I am pleased to provide investment services to the Plan and present the Investment Advisor statement for the Missouri Consolidated Health Care Plan (MCHCP) for the fiscal year ended June 30, 2020.

The investment climate for fiscal year 2020 presented many unique challenges and opportunities. The strong diversification and conservative strategies employed by the Plan and our advisory team has positioned us to assist MCHCP through these turbulent economic cycles.

The portfolio continues to be managed in line with the stated objectives of the investment policy while taking into account and managing for the associated risks of credit risk, liquidity risk, interest rate or market value risk and diversity of assets to avoid overconcentration. The approved strategy deploys a conservative to moderate amount of risk in investing.

Investment results for the portfolio are measured using the Modified Dietz methodology, which is a dollar-weighted analysis of portfolio return.

The Plan's State Retiree Welfare Benefit Trust (SRWBT) investment portfolio generated a return of 3.01% for fiscal year 2020. Portfolio assets ended the year at slightly greater than $122 million.

Early FY2020 equity performance was nearly eliminated by the economic shutdown in March & April, although there was a reasonable recovery in May & June of 2020. The domestic stock markets were led largely by a handful of mega-cap technology-related stocks. As of the end of June 2020, nearly 70% of all S&P 500 stocks had seen negative performance.

Over the past three years, the overall portfolio returned 3.71%, working toward its' benchmark of 4.19%, and for the past five years earning 3.95%. Nominal returns were impacted by the COVID-related economic shutdown in both the first and second quarters of 2020.

The fixed income portfolio returned nearly 6% for the fiscal year, nearing the benchmark return of 6.40%.

Looking forward to FY 2021 our model anticipates:

- Interest rates will remain close to current levels for the next few years
- Equity valuations will post a strong economic recovery in 2021 & 2022

On behalf of Central Bank, we want to express our continued appreciation to the Board of Trustees and the staff of MCHCP for your partnership and support. The MCHCP relationship is one of our largest, and as such, we strive to devote a significant amount of time and energy to manage the Trust assets in the best possible manner.

Sincerely,

Michael K McCoy

Michael K. McCoy, CFA
Senior Vice-President

PO Box 779, 238 Madison Street
Jefferson City, MO 65101

Schedule of Investment Results (Net of Management Fees)

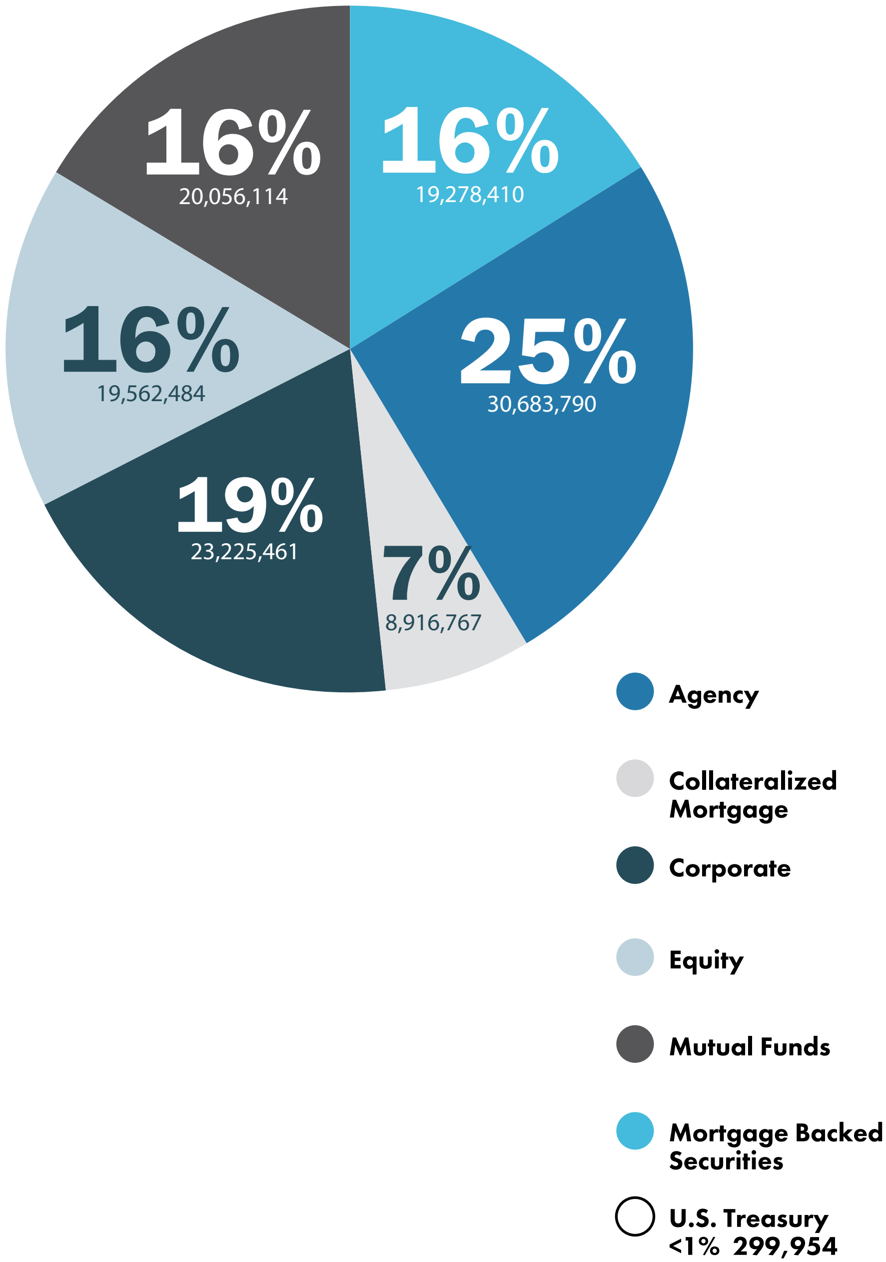
State Retiree Welfare Benefit Trust

FY Ended June 30, 2020

	1 Year	3 Years	5 Years
Total Fund:	**3.010%**	**3.712%**	**3.948%**
Policy Benchmark:	**3.425%**	**4.188%**	**4.038%**
US TSY/AGY/MBS/CMO/Corporate Portfolio	**5.880%**	**2.969%**	**1.911%**
Bank America/Merrill Lynch 1-10 YR Corp/Gov't/MBS Index	**6.430%**	**3.738%**	**2.167%**
Corp/Gov't/MBS Index			
Large Cap Equities/Exchange Traded Products Portfolio	**(2.480%)**	**4.413%**	**6.876%**
Equity Composite (LC 50%/MC 15%/SC 20%/GLBL 15%)	**(2.610%)**	**4.235%**	**6.589%**

Schedule of Asset Allocation

MCHCP Retiree Welfare Benefit Trust, Fiscal Year 2020



List of Largest Assets Held

State Retiree Welfare Benefit Trust

Top Ten Holdings at June 30, 2020

Par Value/# Shares	Description	Fair Value
84,300	Ishares Trust Russell Mid Cap Exchange Traded Fund	**4,518,480**
66,000	Ishares Core S&P Small Cap Exchange Traded Fund	**4,507,140**
72,700	Ishares MSCI EAFE Exchange Traded Fund	**4,425,249**
37,800	Ishares Trust Russell 2000 SC Value Exchange Traded Fund	**3,683,988**
15,200	Ishares Trust Core S&P Mid Cap Exchange Traded Fund	**2,702,864**
1,450,000	Federal Home Loan Mortage Corp 1.10% Due 4/28/2025	**1,452,883**
1,350,000	Federal Farm Credit Bank 1.01% Due 4/28/2025	**1,350,049**
1,300,000	Federal Farm Credit Bank 0.93% Due 11/26/2025	**1,300,248**
1,300,000	Federal Farm Credit Bank 0.67% Due 6/3/2024	**1,300,079**
1,255,000	Federal Home Loan Corp. 2.07% Due 4/2/2032	**1,259,415**

NOTE: *For a complete list of holdings contact MCHCP.*

Schedule of Investment Fees

State Retiree Welfare Benefit Trust

FY Ended June 30, 2020

	Assets Under Management	Fees
U.S. Equities:		
Actively Managed:	**$19,685,657**	**$53,633**
Passively Managed:	**15,412,472**	**46,447**
International Equities:		
Passively Managed:	**4,520,469**	**14,243**
Fixed Income:		
Passively Managed:	**82,404,382**	**222,944**
Total	**$122,022,980**	**$337,267**

NOTE: *All investment fees are paid to Central Registered Investment Advisors All custodial fees are included in the management fees.*

Actuarial

Willis Towers Watson

December 2, 2020

Missouri Consolidated Health Care Plan
832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Dear Board Members:

Missouri Consolidated Healthcare engaged Willis Towers Watson US, LLC ("Willis Towers Watson"), to value the Company's other postretirement benefit plan.

As requested by Missouri Consolidated Healthcare (MCHCP), the attached report documents the results of an actuarial valuation of the Missouri Consolidated Healthcare Plan (the Plan). The primary purpose of this valuation is to determine the Net OPEB Liability and the Actuarially Determined Contribution under GASB 74 for the fiscal year ended June 30, 2020. An actuarial valuation for this Plan is performed annually, and as such, the previous valuation report was for the fiscal year ended June 30, 2019.

The attached report is provided subject to the terms set out herein in our contract and the accompanying General Terms and Conditions of Business. The attached report is provided solely for MCHCP's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, the attached report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on the attached report or any advice relating to its contents.

MCHCP may make a copy of the attached report available to its auditors, but we make no representation as to the suitability of the attached report for any purpose other than that for which it was originally provided and accept no responsibility or liability to MCHCP's auditors in this regard. MCHCP should draw the provisions of this paragraph to the attention of its auditors when passing the attached report to them.

Willis Towers Watson

101 S. Hanley Road
St. Louis, Missouri 63105

willistowerswatson.com

In preparing these results, we have relied upon information and data provided to us orally and in writing by MCHCP and other persons or organizations designated by MCHCP. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

The attached report does not determine liabilities on a plan termination basis, for which separate extensive analyses would be required.

The results summarized in the attached report involve actuarial calculations that require assumptions about future events. MCHCP is responsible for the selection of the assumptions, as described in Appendix A. We believe that the assumptions used in the attached report are within the range of possible assumptions that are reasonable for the purposes for which they have been used.

Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, as well as the possibility of related changes in certain plan provisions, used for future measurements.

The results shown in the attached report have been developed based on economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience and have no significant bias, as well as demographic actuarial assumptions that are considered to be reasonable and within the “best-estimate range” and meet the guidelines set by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in the attached report could have been developed by selecting different, but still reasonable, assumptions. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs or contribution requirements reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in the attached report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law. It is beyond the scope of this valuation to analyze the potential range of future Group Retiree Medical contributions, but we can do so upon request.

In our opinion, all calculations are in accordance with requirements of applicable governmental accounting standards, including GASB 74, and the procedures followed and the results presented are in conformity with applicable actuarial standards of practice. This valuation reflects our understanding of the relative provisions of GASB 74.

The undersigned consulting actuaries are members of the Society of Actuaries and/or collectively meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US, LLC.

Jason R. Benbow, EA
Valuation Actuary
Willis Towers Watson

Joy C, Silvus, ASA, EA, MAAA
Valuation Actuary
Willis Towers Watson

John F. Stahl, FSA
Pricing Specialist
Willis Towers Watson

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan and actual plan operation, preparing demographic data, performing the valuation, implementing the correct accounting or funding calculations, etc.).

Please note we have provided the information used by staff to prepare the following items in the report: Net OPEB Liability, Sensitivity of the Net OPEB Liability to Changes in Discount Rates and Healthcare Cost Trend Rates, Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of Funding Progress, and Schedule of Employer Contributions.

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Purpose and Actuarial Statement

Missouri Consolidated Healthcare engaged Willis Towers Watson US, LLC (“Willis Towers Watson”), to value the Company’s other postretirement benefit plan.

As requested by Missouri Consolidated Healthcare (MCHCP), this report documents the results of an actuarial valuation of the Missouri Consolidated Healthcare Plan (the Plan). The primary purpose of this valuation is to determine the Net OPEB Liability and the Actuarially Determined Contribution under GASB 74 for the fiscal year ended June 30, 2020. An actuarial valuation for this Plan is performed annually, and as such, the previous valuation report was for the fiscal year ended June 30, 2019.

This report is provided subject to the terms set out herein in our contract and the accompanying General Terms and Conditions of Business. This report is provided solely for MCHCP’s use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

MCHCP may make a copy of this report available to its auditors, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to MCHCP’s auditors in this regard. MCHCP should draw the provisions of this paragraph to the attention of its auditors when passing this report to them.

In preparing these results, we have relied upon information and data provided to us orally and in writing by MCHCP and other persons or organizations designated by MCHCP. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency.

This report does not determine liabilities on a plan termination basis, for which separate extensive analyses would be required.

The results summarized in this report involve actuarial calculations that require assumptions about future events. MCHCP is responsible for the selection of the assumptions, as described in Appendix A. We believe that the assumptions used in this report are within the range of possible assumptions that are reasonable for the purposes for which they have been used.

Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, as well as the possibility of related changes in certain plan provisions, used for future measurements.

The results shown in this report have been developed based on economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current

data, reflect estimates of future experience and have no significant bias, as well as demographic actuarial assumptions that are considered to be reasonable and within the “best-estimate range” and meet the guidelines set by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different, but still reasonable, assumptions. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs or contribution requirements reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law. It is beyond the scope of this valuation to analyze the potential range of future Group Retiree Medical contributions, but we can do so upon request.

In our opinion, all calculations are in accordance with requirements of applicable governmental accounting standards, including GASB 74, and the procedures followed and the results presented are in conformity with applicable actuarial standards of practice. This valuation reflects our understanding of the relative provisions of GASB 74.

The undersigned consulting actuaries are members of the Society of Actuaries and/or collectively meet the “Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States” relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US, LLC.

Jason R. Benbow, EA
Valuation Actuary
Willis Towers Watson

Joy C, Silvus, ASA, EA, MAAA
Valuation Actuary
Willis Towers Watson

John F. Stahl, FSA
Pricing Specialist
Willis Towers Watson

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan and actual plan operation, preparing demographic data, performing the valuation, implementing the correct accounting or funding calculations, etc.).

Section 1: Summary of Key Results

Annual Required Contribution, Assets & Obligations

All monetary amounts shown in US Dollars

Fiscal Year Ending		**06/30/2020**
Annual Costs	Actuarially Determined Contribution (ADC)	112,148,250

Measurement Date		**06/30/2020**
Plan Assets	Fiduciary Net Position (FNP)	159,892,016
	Return on Fiduciary Net Position during Prior Year	2,754,934
Benefit Obligations	Actuarial Present Value (APV)	2,270,119,495
	Total OPEB Liability (TOL)	1,941,065,907
Funded Ratios	Fiduciary Net Position to TOL	8.24%
Assumptions[1]	Discount Rate	4.38%
	Rate of Compensation/Salary Increase	4.00%
	Current Health Care Cost Trend Rate	
	Non-Medicare	5.75%
	Medicare	10.00%
	Ultimate Health Care Cost Trend Rate	5.00%
	Year of Ultimate Trend Rate	
	Non-Medicare	2023
	Medicare	2030
	Amortization Period (years)	30
Key Dates		
Census Date:		07/01/2020
Measurement Date:		06/30/2020

[1] Rates are expressed on an annual basis where applicable.

Comments on Results

Appendix A outlines the assumptions, methods and models used in the valuation. Appendix B outlines our understanding of the principal provisions of the plan being valued.

The trend rate for non-Medicare benefits is assumed to be 5.75% in fiscal 2020, then decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal 2023. For Medicare benefits, the trend rate is assumed to be 10.00% in fiscal 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026, then 8.00% in fiscal 2027 decreasing by 1.0% per year to an ultimate rate of 5.00% in fiscal 2030 and after. The Medicare trend reflects the current drug plan, together with the three-year $0 medical premium guarantees through the end of 2021, and estimated Medicare Advantage premiums thereafter.

The claims development is based on incurred claims experience through December 31, 2019. Costs were developed from the calendar 2021 premium setting process, adjusted to the measurement date using plan trend.

The Total OPEB Liability (TOL) increased from $1,908.3M at June 30, 2019 to $1,941.1M at June 30, 2020. The key influencing factors and their impact on the TOL are:

- An increase of $82.7 million due to the passage of time; the TOL is expected to increase as employees accrue another year of service and as the time value of money is reflected in the liability, but decrease as benefits are paid throughout the year.
- An increase of $23.4 million due to changes in the demographic data.
- An increase of $242.1 million due to the change in discount rate from 5.24% to 4.38%.
- An increase of $64.6 million due to changes in demographic assumptions. Note these changes were as a result of an experience study performed in 2020.
- A decrease of $380.0 million due to changes in claims assumptions. Note this change was primarily due to moving to a different medical carrier in 2020, which resulted in improved pricing.

Participant Information

Participant data used in the actuarial valuation are summarized below by the plan sponsor.

Measurement Date Census Date	06/30/2020 07/01/2020
Active Employees	
1 Total	38,895
2 Average age	45.2
Participants and Spouses in Payment Status	
1 Total	21,323
2 Average age (participants only)	70.5
Participants with a Deferred Benefit	
1 Total	75
2 Average age	54.6
Disabled Participants	
1 Total	76
2 Average age	55.3

Note: Counts do not include spouses of disabled participants. At July 1, 2020 there was 1 spouse.

Counts do not include spouses of terminated vested employees. At July 1, 2020 there were 21 spouses.

Section 2: Accounting Exhibits

2.1 Actuarially Determined Contribution

All monetary amounts shown in US Dollars

Valuation Date		7/1/2019
A	**Actuarial Present Value (APV)**	
	1 Inactives – Retiree & Spouse	961,927,609
	2 Actives with Medical Coverage	1,121,022,828
	3 Other Actives	61,976,857
	4 Total APV, (1)+(2)+(3)	2,144,927,294
B	**Total OPEB Liability (TOL)**	
	1 Inactives – Retiree & Spouse	961,927,609
	2 Actives with Medical Coverage	902,224,527
	3 Other Actives	44,159,255
	4 Total TOL (1)+(2)+(3)	1,908,311,391
C	**Actuarially Determined Contribution (ADC)**	
	1 Normal Cost	36,900,587
	2 Amortization Payment	69,663,695
	3 Interest on (1) and (2)	5,583,968
	4 Actuarially Determined Contribution (1)+(2)+(3)	112,148,250
D	**Assumptions**	
	1 Discount Rate	5.24%
	2 Current Health Care Cost Trend Rate	
	Non-Medicare	6.00%
	Medicare	10.00%
	3 Ultimate Health Care Cost Trend Rate	5.00%
	4 Year of Ultimate Trend Rate	
	Non-Medicare	2023
	Medicare	2027
	5 Amortization Period (years)	30
	6 Census Date	07/01/2018

2.2 Supplemental Information Prepared by the Actuary

Schedule of Employer Contributions (in millions)

Fiscal Year Ended	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Percentage of ADC Contributed	Contribution as Percentage of Covered Payroll	Discount Rate (BOY)
June 30, 2011	$ 99.8	$53.4	$46.4	53.5%	3.4%	7.00%
June 30, 2012	$100.8	$57.1	$43.7	56.6%	3.7%	6.50%
June 30, 2013	$ 93.4	$54.0	$39.4	57.8%	3.5%	6.50%
June 30, 2014	$100.1	$56.3	$43.8	56.2%	3.6%	6.00%
June 30, 2015	$103.7	$62.6	$41.1	60.4%	4.0%	6.00%
June 30, 2016	$ 96.6	$66.2	$30.4	68.6%	4.2%	6.00%
June 30, 2017	$106.8	$67.4	$39.4	63.1%	4.2%	5.71%
June 30, 2018	$113.2	$68.9	$44.3	60.8%	4.3%	5.71%
June 30, 2019	$113.4	$82.6	$30.8	72.8%	5.1%	5.90%
June 30, 2020	$112.1	$72.3	$39.8	64.5%	4.5%	5.24%

The State provided benefit payments and administrative costs of $72.3M in fiscal 2020. The Statement of Changes in Net Fiduciary Position provides more details concerning these amounts.

Schedule of Funding Progress

The schedule of funding progress presents multi-year trend information comparing the actuarial value of plan assets to the actuarial accrued liability (in millions).

Fiscal Year Ended	Actuarial Value of Assets (a)	Total OPEB Liability (TOL)[1] (b)	Unfunded TOL (UTOL) (b) – (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UTOL as a Percentage of Covered Payroll [(b) – (a)] / (c)	Discount Rate (BOY)
June 30, 2011	$ 80.2	$1,413.2	$1,333.0	5.7%	$1,559.1	85.5%	7.00%
June 30, 2012	$ 83.6	$1,594.5	$1,510.9	5.2%	$1,534.2	98.5%	6.50%
June 30, 2013	$ 89.5	$1,485.6	$1,396.1	6.0%	$1,552.7	89.9%	6.50%
June 30, 2014	$102.3	$1,649.5	$1,547.2	6.2%	$1,566.7	98.8%	6.00%
June 30, 2015	$106.9	$1,813.5	$1,706.6	5.9%	$1,583.7	107.8%	6.00%
June 30, 2016	$117.0	$1,730.7	$1,613.7	6.8%	$1,586.5	101.7%	6.00%
June 30, 2017	$125.4	$1,837.9	$1,712.5	6.8%	$1,609.5	106.4%	5.71%
June 30, 2018	$129.9	$1,902.1	$1,772.2	6.8%	$1,604.4	110.5%	5.71%
June 30, 2019	$139.6	$1,907.4	$1,767.8	7.3%	$1,612.0	109.7%	5.90%
June 30, 2020	$159.9	$1,908.3	$1,748.4	8.4%	$1,601.1	109.2%	5.24%

[1] Total OPEB Liability (TOL) was measured as of the beginning of the Fiscal Year.

2.3 Statement of Plan Fiduciary Net Position

All monetary amounts shown in US Dollars

Measurement Date		06/30/2020
A	**Assets**	
1	Cash and cash equivalents	1,949,054
2	Due from MCHCP	24,144,321
3	Investments	122,022,980
B	**Receivables**	
1	Prescription drug rebates	22,483,459
2	Retiree drug subsidy	0
3	Other receivables	360,985
4	Total receivables	22,844,444
5	Total assets	170,960,799
C	**Liabilities**	
1	Claims payable - IBNR	4,965,908
2	Deferred revenue	5,834,861
3	Other liabilities	268,014
4	Total liabilities	11,068,783
5	Net position, held in trust for other post-employment benefit	159,892,016

2.4 Statement of Changes in Plan Fiduciary Net Position

All monetary amounts shown in US Dollars

Fiscal Year	2020
A Additions	
1 Employer contributions	72,338,734
2 Employee contributions	43,318,278
3 Interest income	2,754,934
4 Retiree Drug Subsidy and other rebates	48,172,196
5 Total Additions	166,584,142
B Deductions	
1 Medical claims and capitation expense	138,933,653
2 Claims administration services	4,412,024
3 Administration and other	2,896,632
4 Total deductions	146,242,309
C Net Increase	
1 Net assets held in trust for other post-employment benefits:	
a Beginning of year	139,550,183
b End of year	159,892,016
c Increase (b) - (a)	20,341,833
d Rate of return[1]	1.86%

[1] Money-weighted rate of return assuming cashflows occur at middle-of-year

2.5 Summary of Assumptions and Methods

Required Supplementary Information – Summary of Key Actuarial Assumptions and Methods

Valuation Year	July 1, 2019 – June 30, 2020
Actuarial cost method	Entry age normal, level percent of pay
Amortization method for Unfunded TOL	30 years, open, level percent of pay
Asset valuation method	Market value

Actuarial assumptions:

Discount Rate:	
June 30, 2019	5.24%
June 30, 2020	4.38%
Projected payroll growth rate	4.00%
Health care cost trend rate (Medical and Prescription Drugs combined)	Non-Medicare: 5.75% in fiscal 2020, then decreasing by 0.25% per year to an ultimate of 5.0% in fiscal 2023 and after. Medicare: 10.00% in fiscal 2020, 22.00% in fiscal 2021, 10.00% in fiscal 2022 and 2023, 9.50% in fiscal 2024, 9.00% in fiscal 2025, 8.50% in fiscal 2026 then 8.00% in fiscal 2027 decreasing by 1.0% per year to an ultimate rate of 5.00% in fiscal year 2030 and after.

2.6 Valuation Liabilities by Employee Group (in millions)[1]

	Active in Health Plan	Actives Not Covered	Retirees & Dependents	Disabled	Term Vested	Total
Present Value of Future Benefits	$1,121.0	$62.0	$947.7	$12.3	$1.9	$2,144.9
Total OPEB Liability (TOL)	902.2	44.2	947.7	12.3	1.9	1,908.3
Expected Net Benefit Payments	4.6	0.2	59.7	0.6	0.0	65.1
Normal Cost	33.9	3.0	0.0	0.0	0.0	36.9
Amortization of Unfunded TOL[2]	32.9	1.6	34.6	0.4	0.1	69.6
Interest	3.5	0.3	1.8	0.0	0.0	5.6
Actuarially Determined Contribution (ADC)	70.3	4.9	36.4	0.4	0.1	112.1

[1] Total OPEB Liability calculated at July 1, 2019 on the same basis as Section 2.1
[2] Allocation by Total OPEB Liability

2.7 Cashflow Projections

Based on benefit costs, retiree contributions, and assumptions shown in Appendix A, the State's expected cash costs (based on enrollments as of July 1, 2020) are projected below.

Fiscal Year	$ in thousands Cash Cost Net Cost to State
2021	59,373
2022	65,306
2023	69,227
2024	73,539
2025	78,145
2026	82,976
2027	87,751
2028	92,877
2029	97,171
2030	101,156
2040	132,133
2050	141,636
2060	115,424
2070	79,325
2080	42,562
2090	15,184
2100	2,338

2.8 Change in Net OPEB Liability

Fiscal Year Ending Measurement Date	06/30/2020 06/30/2020
1. Total OPEB Liability – Beginning of Measurement Period:	$ 1,908,311,391
a. Service Cost	36,900,587
b. Interest	100,512,925
c. Plan amendments	0
d. Demographic (gains) / losses	23,399,709
e. Assumption changes	(73,306,870)
f. Net Benefit payments	(54,751,835)
g. Net change in TOL	$ 32,754,516
h. Total OPEB Liability – End of Measurement Period:	$ 1,941,065,907
2. Fiduciary Net Position – Beginning of Measurement Period:	$ 139,550,183
a. Employer contributions	72,338,734
b. Employee contributions	43,318,278
c. Retiree drug subsidy and other drug rebates	48,172,196
d. Net investment income	2,754,934
e. Benefit payments	(138,933,653)
f. Administrative expense	(7,308,656)
g. Net change in FNP	$ 20,341,833
h. Fiduciary Net Position – End of Measurement Period:	$ 159,892,016
3. Net OPEB Liability:	$ 1,781,173,891
4. Funded Ratio: (2)(h) / (1)(h)	8.24%
5. Covered employees' payroll	$ 1,601,066,688
6. Net OPEB Liability as a percentage of covered payroll: (3)/(5)	111.25%
7. NOL at Measurement Date - Sensitivities:	
a. 1% increase in Discount Rate	$ 1,504,059,949
b. 1% decrease in Discount Rate	$ 2,134,874,578
c. 1% increase in Trend Rates	$ 2,141,594,046
d. 1% decrease in Trend Rates	$ 1,499,000,067

Section 3: Participant Information

3.1 Participant Information

Participant data used in the actuarial valuation are summarized below by the plan sponsor.

Measurement Date Census Date	6/30/2020 7/1/2020
Active Employees	
1 Total	38,895
2 Average age	45.2
Participants and Spouses in Payment Status	
1 Total	21,323
2 Average age (participants only)	70.5
Participants with a Deferred Benefit	
1 Total	75
2 Average age	54.6
Disabled Participants	
1 Total	76
2 Average age	55.3

3.2 Age and Service Distribution of Participating Employees

Attained Age	Attained Years of Credited Service and Number													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	1,170	579	272	106	37	12								2,176
25-29	891	741	540	457	352	543	2							3,526
30-34	600	509	416	376	360	1,389	314	6						3,970
35-39	421	381	323	343	254	1,147	1,001	341	16					4,227
40-44	349	282	256	235	218	930	850	951	403	18				4,492
45-49	310	287	238	203	204	800	766	844	1,153	381	23			5,209
50-54	272	258	202	194	168	782	712	733	972	828	276	18		5,415
55-59	264	266	203	177	192	819	733	822	825	470	348	74	9	5,202
60-64	125	135	121	130	146	557	561	540	510	267	157	85	39	3,373
65-69	29	40	23	21	30	198	181	150	130	78	55	25	38	998
70 & over	13	17	17	6	9	53	48	68	32	19	9	4	12	307
Total	4,444	3,495	2,611	2,248	1,970	7,230	5,168	4,455	4,041	2,061	868	206	98	38,895

Average: Age 45.2

Number of Participants: Males 14,051; Females 24,844

Census data as of July 1, 2020

Appendix A

Statement of Actuarial Assumptions and Methods

Plan Sponsor

State of Missouri

Statement of Assumptions

The assumptions disclosed in this document are for the June 30, 2020 measurement date. These assumptions are used for liabilities disclosed under GASB 74.

Economic Assumptions

General Inflation Rate

The underlying general inflation assumption behind the discount rate assumption and the health care trend rate assumption is 3.00% per annum. This underlying rate is assumed to apply to all future years in the valuation projections.

Discount Rate

4.38% per annum, a detailed development of the discount rate is shown in Appendix C

Expected Return on Assets

4.50% per annum

Municipal Bond Rate

2.21% per annum

Compensation/Salary Increases

4.00% per annum

Health Care Trend Rates

Health care trend rates are the annual rates of increase expected for benefits payable from the Plan; these rates include Health Care Cost Trend plus the leveraging effect of Plan design.

Fiscal Year	Medical and Rx Combined Rate (non-Medicare)	Medical and Rx Combined Rate (Medicare)
2020	5.75	10.00
2021	5.50	22.00
2022	5.25	10.00
2023	5.00	10.00
2024	5.00	9.50
2025	5.00	9.00
2026	5.00	8.50
2027	5.00	8.00
2028	5.00	7.00
2029	5.00	6.00
2030+	5.00	5.00

Per Capita Claims Costs

Per capita costs for fiscal 2021 are listed below. The per capita costs are net of plan deductibles, coinsurance, and co-payments but are not reduced for retiree contributions. These costs were developed from the calendar 2021 premium setting process, adjusted to the measurement date using plan trend.

Per Capita Cost (excludes administrative expenses)	
Age	FY 2021 Cost
55	$ 8,888
60	10,534
65	2,182
70	2,321
75	2,502
80	2,526
85	2,228

Administrative Expenses

For fiscal 2021, we will use a starting value developed from the calendar 2021 premium setting process, adjusted to the measurement date using the general inflation assumption of 3%. Future increases will also be assumed at the general inflation rate of 3%.

For fiscal 2021, the admin expenses used are $286 per person (apply only for non-Medicare).

Demographic and Other Assumptions

Mortality

RP-2016 for Employees/Annuitants without collar adjustments using Scale MP-2016.

Retirement Probabilities

It is assumed that participants will retire according to the following schedule:

Age	Percent assumed to retire within one year
48-54	15.0% at each age
55-61	10.0% at each age
62	20.0%
63	16.0%
64	17.0%
65-66	30.0% at each age
67-69	25.0% at each age
70	30.0%
71-74	25.0% at each age
75	100.0%

Disability Rates

None assumed.

Representative Termination Rates (not due to disability, retirement, or mortality)

During the first five years of service, employees are assumed to terminate according to the following schedule:

Percent assumed to terminate within one year	
Service	**Male/Female**
0-1	50.0%
1-2	15.0%
2-3	12.0%
3-4	12.0%
4-5	12.0%

After five years of service, we assume withdrawal rates that vary by attained age, as presented below:

Percent assumed to terminate within one year	
Age	**Male/Female**
20	19.0%
25	16.9%
30	13.1%
35	9.4%
40	6.8%
45	5.1%
50	4.5%
55	3.9%
60	3.2%
65	3.0%

Retiree Contributions

The State pays a percentage of the premium for a designated plan and subtracts the total state subsidy from the premium cost for the plan chosen by the retiree to determine the retiree contribution amount. This percentage is 2.5% per year of service, up to a maximum of 65%. The retiree pays the remainder of the premium.

FY 2021	
Pre-65	Post-65
$ 10,720	$ 2,362

The above premiums are developed from the premium rates for the designated plan for the 2021 calendar year, adjusted to the measurement date using plan trend. Future premiums (and thus State and retiree contributions) are assumed to increase with the healthcare cost trend rates.

Spouse Age Difference

Husbands are assumed to be three years older than wives for future retirees who are married.

Participation Assumptions for Plan

60% of employees currently enrolled in the program are assumed to elect postretirement health insurance coverage upon retirement.

20% of employees not currently enrolled in the program are assumed to elect postretirement health insurance coverage upon retirement.

Terminated vested employees are assumed to participate at age 60 as follows:

5% of those currently under age 40
15% of those currently between ages 40 and 49
60% of those currently age 50 and over

Dependent Coverage

50% of future participating male retirees and 35% of future participating female retirees are assumed to have spouses that elect to be covered under the MCHCP plan.

Methods

Census Date/Measurement Date

The measurement date is June 30, 2020. The liability valuation date is July 1, 2020. For purposes of determining benefit obligations as of the measurement date, participant data as of the census date, July 1, 2020 are used.

Funding Policy

Contributions to the plan are determined by the appropriations of the Missouri state legislature. MCHCP requests funding each year equal to the actuarial determined contribution developed based on fully funding the plan's benefit liability in 30 years. For projection purposes, we have assumed approvals by appropriations are equal to the average of the prior five fiscal years, adjusted to the current and future plan years using the plan's assumption for salary inflation.

Actuarial Cost Method

Entry age normal with level percentage of payroll spread.

Asset Method

Equal to fair market value of assets.

Benefits Not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Data Sources

Employee data was supplied by the Missouri Consolidated Healthcare as of July 1, 2020.

Assumptions Rationale - Significant Economic Assumptions for Accounting

Discount rate	As required by GASB 74, the discount rate was chosen by the plan sponsor. The discount rate was determined as a blend of the plan sponsor's best estimate of the expected return on plan assets and, as required by GASB 74, the 20-year high quality municipal bond rate as of the Measurement Date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal bond rate is used.

Expected Return on Assets

The plan sponsor selected this assumption by considering expected returns on the target asset allocation.

The target allocation and expected return by asset class are shown below:

Asset Class	Allocation	Expected Return
Large cap stocks	17.0%	8.5%
Mid cap stocks	6.0%	8.8%
Small cap stocks	7.0%	8.8%
International stocks	4.0%	8.9%
BarCap Aggregate bonds	64.0%	2.4%
Cash equivalents	2.0%	2.1%

Rates of increase in plan administrative expenses

Administrative expenses are projected using general inflation.

Claims cost trend rates

Assumed increases were chosen by the plan sponsor and, as required by GASB 74, they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates. In setting near term trend rates, other pertinent statistics were considered, including surveys on general medical cost increases. In setting the ultimate trend rate, considerations included assumed GDP growth consistent with the assumed future economic conditions inherent in other economic assumptions chosen by the client at the measurement date.

After examining historical variability in trend rates, we believe that the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used, other than the discount rate.

In addition, the Medicare trend reflects the current drug plan, together with the three-year $0 medical premium guarantees through the end of 2021, and estimated Medicare Advantage premiums thereafter.

Participant contribution trend rates

In accordance with the substantive plan communicated to participants, participant contributions are intended to remain a fixed percentage of total plan costs, and thus the trend rates, and the description of the derivation of the trend rates, are the same as for claims costs as shown above.

Per capita claims costs

Per capita claims costs were chosen by the plan sponsor to be the best estimate of the plan's per capita claims costs including expenses in the plan year beginning on the measurement date (with any expected changes in future years reflected in the trend rate assumption).

	Per capita claims cost assumptions were developed using historical claims, and enrolment information. Raw per capitas were developed and adjusted for completion (i.e., conversion from a paid to an incurred basis), plan changes, and trend.
EGWP Savings	EGWP savings projections were chosen by the plan sponsor to reflect anticipated EGWP savings based on projections provided by EGWP administrator. Anticipated subsidies are included in the claims cost assumptions.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by GASB74, represents a best estimate of future experience.
Termination	Termination rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future. Assumed termination rates differ by age and service because of observed differences in termination rates by service.
Retirement	Retirement rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Participation:	
▪ Participants	Assumed participation rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
▪ Covered spouses	Assumed coverage rates were based on an experience study conducted in 2020, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Marital Assumptions:	
▪ Percent married	The assumed percentage married is based on a blending of the marital status of recent retirees and of the current active population.
▪ Spouse age	The assumed age difference for spouses is based on historical experience as well as expectations of similar future age differences.

Source of Prescribed Methods

Actuarial Cost Method	The methods used for GASB purposes as described in Appendix A, including the actuarial cost method, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs).

Changes in Assumptions and Methods

Change in assumptions since prior valuation	The discount rate was changed from 5.24% to 4.38%. The expected return on asset assumption was changed from 5.50% to 4.50%. Termination rates and retirement rates were updated based on an experience study conducted in 2020. Participation and dependent coverage assumptions rates were updated based on an experience study conducted in 2020. Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2021 rates.
Change in methods since prior valuation	None.

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify	Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans. Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports. Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations. Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected. Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.
Expected Return Estimator	The Expected Return Estimator is used to help inform the choice of an expected return assumption (e.g., as one data point to consider) for returns on the assets of the trust. The tool depends on the capital market assumptions chosen at the starting date of the simulation. These assumptions reflect

currently prevailing capital market conditions, assumed future conditions ("normative conditions"), and the transition from the current conditions to the normative ones.

The assumed normative conditions incorporate a blend of historical capital market data and future expectations. The sources consulted in the determination of normative levels include practitioners in our global actuarial and investment consulting practices, plan sponsors, investment managers, economists, and academics.

PUT

The Pricing and Underwriting Tool (PUT) develops projected premium equivalent rates, employee contributions, and COBRA rates for self-insured employer health plans (medical, prescription drugs, dental, and vision). The tool develops rates by plan or in aggregate leveraging historic claims, enrollment, and plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality, and multiple methods of estimating incurred claims amounts from paid claims data.

Appendix B

Summary of Principal Plan Provisions

Plan Sponsor

State of Missouri

Plan

Missouri Consolidated Healthcare Plan

Plan Type

Cost-Sharing Multiple Employer Plan

Plan Year

The twelve-month period ending June 30, 2020.

Eligibility

A participant is eligible for coverage if, at the time of termination of state employment, the participant is eligible to receive a monthly retirement benefit from either the Missouri State Employees' Retirement System (MOSERS) or from the Public School Retirement System (PSRS) for State employment, and has met one of the following requirements:

- has had coverage through MCHCP since the effective date of the last Open Enrollment period; or
- has had other health insurance for the six months immediately prior to termination of state employment (proof of insurance required); or
- has had coverage since first eligible.

A participant who terminates employment before being eligible to receive post-retirement coverage will still be eligible upon reaching retirement age if he/she remains enrolled through MCHCP through retirement age. For valuation purposes, it is assumed that they will begin receiving benefits at their earliest eligibility date.

Plans Available to Retirees

PPO 750
PPO 1,250
HDHP (HSA)

For 2014 and future years, the prescription drug coverage under these plans for post-Medicare retirees will be provided through an Employer Group Waiver Plan (EGWP).

For 2019 and future years, the medical coverage under these plans for post-Medicare retirees will be provided through a Medicare Advantage Plan.

State Contributions

The contribution amount for a retiree is calculated using the number of full years of service as reported to MCHCP by MOSERS or PSRS times 2.5%, capped at 65% with the actual amount determined by State appropriations. Prior to January 1, 2005, the maximum is 60%.

The percentage paid by the State remains the same at Medicare eligibility.

The State pays a percentage of a designated plan and subtracts the total premium from the plan chosen by the retiree.

For retirements prior to January 1, 2002, the contribution will be the greater of the contribution based on the years of service and the amount being paid at that date. This is re-determined each year for January coverage.

Appendix C

Discount Rate Development:

Missouri Consolidated Healthcare Plan

Expected Return on Assets	4.50%	Present Value using EROA and Muni Rate	2,270,119,495
Municipal Bond Rate	2.21%	Present Value using Weighted Interest Rate	2,270,119,495
Initial Year Contribution	77,200,000	Weighted Interest Rate	4.38%

Year	Trust Fund Beginning of Year	OPEB Cash Flows (PVB)	Administrative Expenses	Expected Co. Contributions to Trust	Net Investment Earnings	Trust Fund End of Year	Percent Funded	Discount Rate Applied to Year	Discounted Cash Flows	Weighted Interest Rate	Discounted Cash Flows
0.5	159,892,016	(59,372,936)		77,200,000	7,591,836	185,310,916	100.00%	4.50%	58,187,124	4.38%	58,218,426
1.5	185,310,916	(65,305,661)		75,856,367	8,573,770	204,435,392	100.00%	4.50%	61,245,319	4.38%	61,350,213
2.5	204,435,392	(69,226,832)		75,511,518	9,339,442	220,059,520	100.00%	4.50%	62,126,980	4.38%	62,306,451
3.5	220,059,520	(73,538,690)		75,424,636	9,944,645	231,890,112	100.00%	4.50%	63,154,657	4.38%	63,411,460
4.5	231,890,112	(78,144,968)		75,563,636	10,377,614	239,686,394	100.00%	4.50%	64,220,580	4.38%	64,557,424
5.5	239,686,394	(82,976,287)		75,911,506	10,628,679	243,250,292	100.00%	4.50%	65,254,567	4.38%	65,673,851
6.5	243,250,292	(87,751,163)		76,448,108	10,694,743	242,641,980	100.00%	4.50%	66,037,938	4.38%	66,540,288
7.5	242,641,980	(92,877,347)		77,160,606	10,569,154	237,494,392	100.00%	4.50%	66,885,833	4.38%	67,473,760
8.5	237,494,392	(97,171,272)		78,043,573	10,261,610	228,628,303	100.00%	4.50%	66,964,701	4.38%	67,632,635
9.5	228,628,303	(101,155,613)		79,087,113	9,797,196	216,356,999	100.00%	4.50%	66,708,587	4.38%	67,453,069
10.5	216,356,999	(104,893,831)		80,298,927	9,188,769	200,950,865	100.00%	4.50%	66,195,034	4.38%	67,012,371
11.5	200,950,865	(108,496,801)		81,675,677	8,445,954	182,575,694	100.00%	4.50%	65,520,334	4.38%	66,407,217
12.5	182,575,694	(112,054,412)		83,204,030	7,573,916	161,299,228	100.00%	4.50%	64,754,781	4.38%	65,708,359
13.5	161,299,228	(115,598,450)		84,894,140	6,575,220	137,170,138	100.00%	4.50%	63,926,158	4.38%	64,943,693
14.5	137,170,138	(118,803,933)		86,743,641	5,459,237	110,569,084	100.00%	4.50%	62,869,661	4.38%	63,945,369
15.5	110,569,084	(121,768,911)		88,751,711	4,240,896	81,792,780	100.00%	4.50%	61,663,821	4.38%	62,792,535
16.5	81,792,780	(124,423,599)		90,926,235	2,935,278	51,230,694	100.00%	4.50%	60,294,886	4.38%	61,470,629
17.5	51,230,694	(126,933,784)		93,261,187	1,556,085	19,114,182	100.00%	4.50%	58,862,494	4.38%	60,080,763
18.5	19,114,182	(129,754,582)		95,775,679	104,026	-	88.62%	4.24%	60,294,360	4.38%	58,840,211
19.5	-	(132,133,152)		98,467,062	-	-	74.52%	3.92%	62,568,587	4.38%	57,405,913
20.5	-	(134,294,104)		101,333,142	-	-	75.46%	3.94%	60,937,726	4.38%	55,897,848
21.5	-	(136,428,529)		104,380,060	-	-	76.51%	3.96%	59,265,082	4.38%	54,404,728
22.5	-	(138,081,398)		107,608,546	-	-	77.93%	3.99%	57,292,639	4.38%	52,754,552
23.5	-	(139,573,770)		111,022,550	-	-	79.54%	4.03%	55,225,437	4.38%	51,088,351
24.5	-	(140,917,567)		114,635,985	-	-	81.35%	4.07%	53,077,955	4.38%	49,417,016
25.5	-	(141,636,182)		118,451,047	-	-	83.63%	4.13%	50,610,205	4.38%	47,585,967
26.5	-	(142,093,681)		122,477,936	-	-	86.20%	4.18%	48,040,063	4.38%	45,737,537
27.5	-	(142,356,841)		126,730,658	-	-	89.02%	4.25%	45,414,679	4.38%	43,900,519
28.5	-	(142,142,200)		131,218,543	-	-	92.31%	4.32%	42,612,492	4.38%	41,995,974
29.5	-	(141,635,847)		135,948,151	-	-	95.98%	4.41%	39,746,825	4.38%	40,091,391
30.5	-	(140,500,654)		140,927,932	9,508	436,786	100.00%	4.50%	36,764,444	4.38%	38,102,160
31.5	436,786	(139,077,865)		146,164,280	177,345	7,700,546	100.00%	4.50%	34,825,020	4.38%	36,134,543
32.5	7,700,546	(137,349,364)		151,662,494	665,026	22,678,703	100.00%	4.50%	32,911,201	4.38%	34,188,852
33.5	22,678,703	(134,988,189)		157,428,392	1,519,890	46,638,797	100.00%	4.50%	30,952,558	4.38%	32,191,925
34.5	46,638,797	(132,265,186)		163,465,659	2,793,032	80,632,301	100.00%	4.50%	29,022,181	4.38%	30,219,692

December 2020

Willis Towers Watson

Missouri Consolidated Healthcare Plan

Expected Return on Assets	4.50%	Present Value using EROA and Muni Rate	2,270,119,495
Municipal Bond Rate	2.21%	Present Value using Weighted Interest Rate	2,270,119,495
Initial Year Contribution	77,200,000	Weighted Interest Rate	4.38%

Year	Trust Fund Beginning of Year	OPEB Cash Flows (PVB)	Administrative Expenses	Expected Co. Contributions to Trust	Net Investment Earnings	Trust Fund End of Year	Percent Funded	Discount Rate Applied to Year	Discounted Cash Flows	Weighted Interest Rate	Discounted Cash Flows
35.5	80,632,301	(129,289,176)		169,780,794	4,529,490	125,653,409	100.00%	4.50%	27,147,533	4.38%	28,300,882
36.5	125,653,409	(125,984,459)		176,383,112	6,775,895	182,827,957	100.00%	4.50%	25,314,473	4.38%	26,420,929
37.5	182,827,957	(122,593,480)		183,280,297	9,577,686	253,092,461	100.00%	4.50%	23,572,356	4.38%	24,631,553
38.5	253,092,461	(119,115,752)		190,480,198	12,977,192	337,434,099	100.00%	4.50%	21,917,374	4.38%	22,929,096
39.5	337,434,099	(115,423,518)		197,991,187	17,021,865	437,023,634	100.00%	4.50%	20,323,446	4.38%	21,286,553
40.5	437,023,634	(111,818,812)		205,823,442	21,757,894	552,786,157	100.00%	4.50%	18,840,899	4.38%	19,756,919
41.5	552,786,157	(108,120,765)		213,986,746	27,231,151	685,883,290	100.00%	4.50%	17,433,299	4.38%	18,302,346
42.5	685,883,290	(104,525,286)		222,491,610	33,489,784	837,339,397	100.00%	4.50%	16,127,815	4.38%	16,951,664
43.5	837,339,397	(100,908,428)		231,349,446	40,582,901	1,008,363,316	100.00%	4.50%	14,899,281	4.38%	15,678,760
44.5	1,008,363,316	(97,336,699)		240,571,740	48,563,675	1,200,162,031	100.00%	4.50%	13,753,024	4.38%	14,489,527
45.5	1,200,162,031	(93,781,737)		250,171,078	57,487,332	1,414,038,704	100.00%	4.50%	12,680,126	4.38%	13,374,858
46.5	1,414,038,704	(90,232,148)		260,160,801	67,413,065	1,651,380,421	100.00%	4.50%	11,674,823	4.38%	12,328,933
47.5	1,651,380,421	(86,652,892)		270,555,101	78,404,387	1,913,687,017	100.00%	4.50%	10,728,914	4.38%	11,343,330
48.5	1,913,687,017	(83,012,199)		281,368,890	90,529,831	2,202,573,539	100.00%	4.50%	9,835,543	4.38%	10,411,007
49.5	2,202,573,539	(79,325,424)		292,617,786	103,862,079	2,519,727,981	100.00%	4.50%	8,993,993	4.38%	9,531,397
50.5	2,519,727,981	(75,595,127)		304,318,498	118,477,407	2,866,928,758	100.00%	4.50%	8,201,960	4.38%	8,702,244
51.5	2,866,928,758	(71,834,837)		316,488,589	134,455,931	3,246,038,441	100.00%	4.50%	7,458,348	4.38%	7,922,566
52.5	3,246,038,441	(68,050,634)		329,146,570	151,881,745	3,659,016,121	100.00%	4.50%	6,761,195	4.38%	7,190,453
53.5	3,659,016,121	(64,260,349)		342,311,596	170,843,037	4,107,910,405	100.00%	4.50%	6,109,674	4.38%	6,505,197
54.5	4,107,910,405	(60,488,998)		356,003,623	191,431,882	4,594,856,911	100.00%	4.50%	5,503,451	4.38%	5,866,608
55.5	4,594,856,911	(56,760,284)		370,243,584	213,744,322	5,122,084,533	100.00%	4.50%	4,941,820	4.38%	5,274,102
56.5	5,122,084,533	(53,088,848)		385,053,275	237,880,814	5,691,929,774	100.00%	4.50%	4,423,127	4.38%	4,726,075
57.5	5,691,929,774	(49,490,512)		400,455,399	263,946,656	6,306,841,317	100.00%	4.50%	3,945,770	4.38%	4,220,973
58.5	6,306,841,317	(45,979,878)		416,473,615	292,052,240	6,969,387,293	100.00%	4.50%	3,508,014	4.38%	3,757,091
59.5	6,969,387,293	(42,562,055)		433,132,559	322,313,565	7,682,271,363	100.00%	4.50%	3,107,419	4.38%	3,331,960
60.5	7,682,271,363	(39,257,173)		450,457,862	354,852,420	8,448,324,471	100.00%	4.50%	2,742,710	4.38%	2,944,351
61.5	8,448,324,471	(36,063,829)		468,476,176	389,796,820	9,270,533,638	100.00%	4.50%	2,411,107	4.38%	2,591,407
62.5	9,270,533,638	(32,993,759)		487,215,223	427,281,538	10,152,036,641	100.00%	4.50%	2,110,864	4.38%	2,271,376
63.5	10,152,036,641	(30,047,157)		506,703,832	467,448,411	11,096,141,727	100.00%	4.50%	1,839,566	4.38%	1,981,773
64.5	11,096,141,727	(27,230,135)		526,971,985	510,446,841	12,106,330,417	100.00%	4.50%	1,595,312	4.38%	1,720,654
65.5	12,106,330,417	(24,544,290)		548,050,865	556,434,154	13,186,271,146	100.00%	4.50%	1,376,037	4.38%	1,485,893
66.5	13,186,271,146	(21,992,490)		569,972,899	605,576,089	14,339,827,644	100.00%	4.50%	1,179,879	4.38%	1,275,572
67.5	14,339,827,644	(19,578,498)		592,771,815	658,047,180	15,571,068,141	100.00%	4.50%	1,005,139	4.38%	1,087,935
68.5	15,571,068,141	(17,307,282)		616,482,688	714,031,166	16,884,274,713	100.00%	4.50%	850,275	4.38%	921,395
69.5	16,884,274,713	(15,183,959)		641,141,995	773,721,440	18,283,954,189	100.00%	4.50%	713,837	4.38%	774,454
70.5	18,283,954,189	(13,212,564)		666,787,675	837,321,563	19,774,850,864	100.00%	4.50%	594,409	4.38%	645,640
71.5	19,774,850,864	(11,396,460)		693,459,182	905,045,832	21,361,959,417	100.00%	4.50%	490,627	4.38%	533,540
72.5	21,361,959,417	(9,737,720)		721,197,549	977,119,873	23,050,539,120	100.00%	4.50%	401,165	4.38%	436,765
73.5	23,050,539,120	(8,236,767)		750,045,451	1,053,781,295	24,846,129,099	100.00%	4.50%	324,718	4.38%	353,949
74.5	24,846,129,099	(6,892,159)		780,047,269	1,135,280,378	26,754,564,587	100.00%	4.50%	260,009	4.38%	283,748
75.5	26,754,564,587	(5,700,650)		811,249,160	1,221,880,806	28,781,993,904	100.00%	4.50%	205,798	4.38%	224,851
76.5	28,781,993,904	(4,657,181)		843,699,127	1,313,860,435	30,934,896,284	100.00%	4.50%	160,888	4.38%	175,989
77.5	30,934,896,284	(3,754,889)		877,447,092	1,411,512,094	33,220,100,581	100.00%	4.50%	124,131	4.38%	135,942
78.5	33,220,100,581	(2,985,288)		912,544,975	1,515,144,426	35,644,804,694	100.00%	4.50%	94,440	4.38%	103,547

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Appendix D

Glossary

Actuarial Present Value

The value, as of the valuation date, of amounts payable or receivable thereafter, with each amount adjusted to reflect (a) the time value of money (through discounts for interest) and (b) the probability of payment (to reflect death, disability or termination of employment) between the valuation date and the expected date of payment.

Actuarially Determined Contribution (ADC)

The plan's normal cost plus an amortization of its unfunded actuarial accrued liability.

Discount Rate

The rate used to reflect the time value of money. The discount rate is used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the post-employment benefit obligation.

Gain or Loss

A change in the value of either the actuarial accrued liability or plan assets resulting from experience different from that assumed or from a change in an actuarial assumption.

Health Care Cost Trend Rates

An assumption about the annual rate(s) of change in the cost of health care benefits currently provided by the post-employment benefit plan, due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the valuation date until the end of the period in which benefits are expected to be paid. The health care cost trend rates implicitly consider estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants. Differing types of services, such as hospital care and dental care, may have different trend rates.

Net OPEB Liability

The difference between the Total OPEB Liability and the Net Fiduciary Position.

Normal Cost/Service Cost

The portion of the expected post-employment benefit obligation attributed to employee service during the year immediately following the valuation date.

Total OPEB Liability

The actuarial present value of benefits attributed to employee service rendered prior to the valuation date.

Statistical

Historical Data: Revenues by Source

Internal Service Fund, ten years ended June 30, 2020

Fiscal Year	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
2020	$401,388,126	$74,873,802	$7,423,514	$31,653,218	$515,338,660	$1,103,352
2019	400,006,662	76,138,619	7,870,921	31,161,964	515,178,166	1,171,090
2018	334,208,126	80,156,169	7,559,037	24,832,110	446,755,442	1,222,021
2017	328,917,283	80,960,318	7,468,778	17,365,478	434,711,857	893,977
2016	324,857,578	83,815,598	7,904,470	13,500,867	430,078,513	1,173,043
2015	324,630,770	83,734,256	8,063,991	5,689,731	422,118,748	735,595
2014	314,696,927	87,402,560	8,234,207	7,684,071	418,017,765	877,940
2013	316,307,501	90,793,617	8,215,776	4,256,453	419,573,347	436,909
2012	319,804,444	89,797,753	8,492,621	5,375,360	423,470,178	853,463
2011	354,247,003	83,925,846	9,513,436	4,522,990	452,209,275	708,812

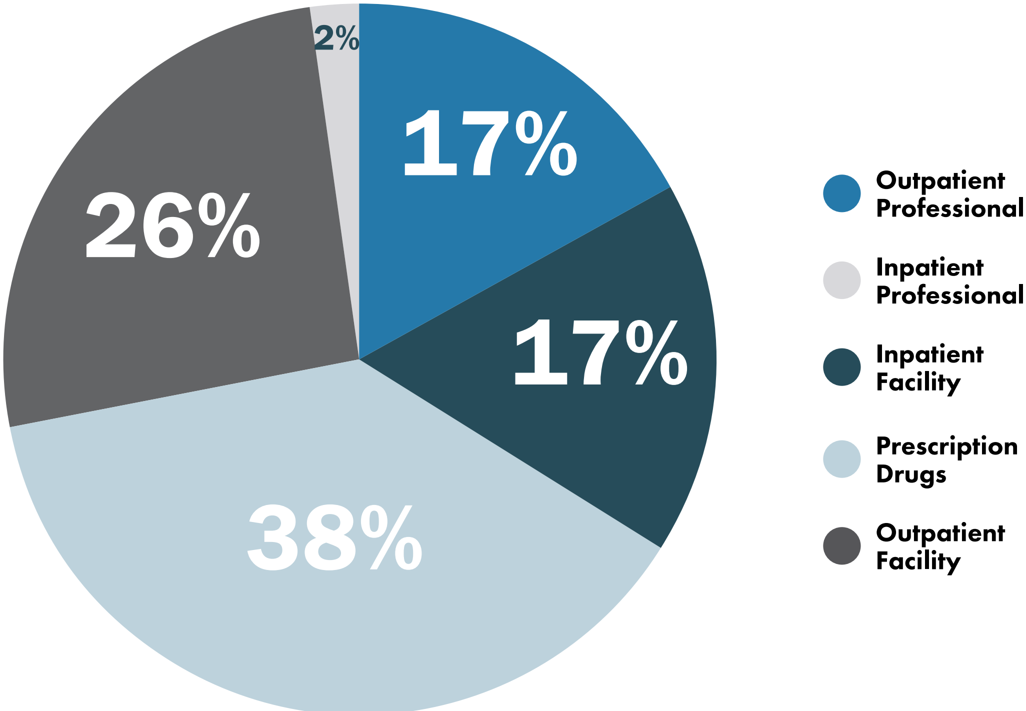
Historical Data: Expenses by Type

Internal Service Fund, ten years ended June 30, 2020

Fiscal Year	Medical Claims/Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees
2020	$449,453,293	$4,731,207	$965,444	$455,149,944
2019	499,070,275	4,330,944	1,185,609	504,586,828
2018	525,142,217	4,460,726	1,206,145	530,809,088
2017	474,453,616	4,317,715	1,488,309	480,259,640
2016	452,409,305	3,846,601	1,644,070	457,899,976
2015	420,740,454	3,998,457	1,846,818	426,585,729
2014	399,793,666	3,966,917	1,961,783	405,722,366
2013	384,588,353	3,983,962	1,805,563	390,377,878
2012	381,291,864	3,885,557	2,097,573	387,274,994
2011	422,066,045	4,148,726	2,134,781	428,349,552

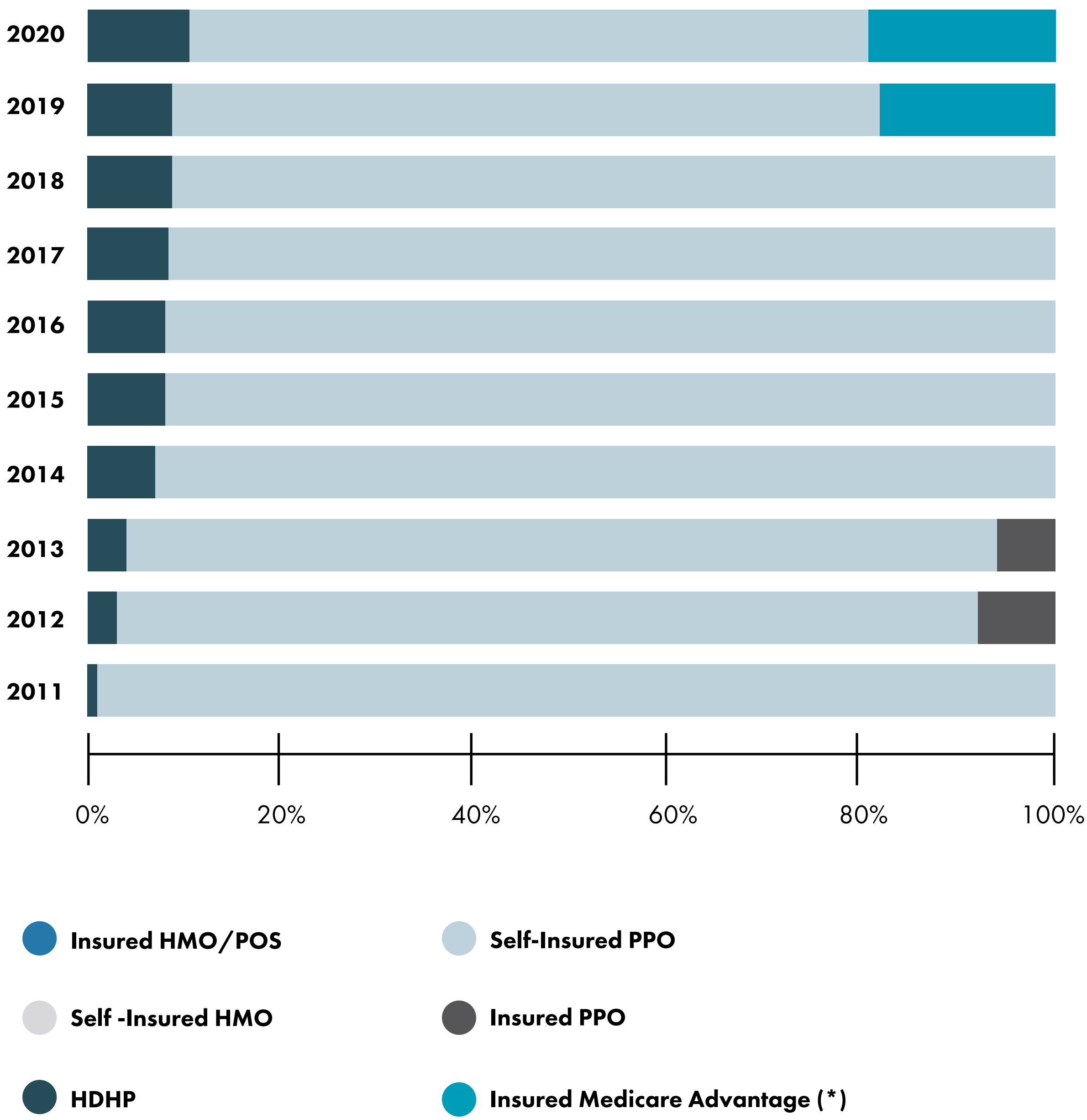
Distribution of Claim Payments

State Membership, Fiscal Year 2020



Healthcare Options by Year & Total Lives

State Membership, ten years ended June 30, 2020



(*) Rx for Medicare Advantage Members is self-insured

Statement of Revenues, Expenses & Changes in Net Position

Internal Service Fund, ten years ended June 30, 2020

Fiscal Year Ending	2020	2019	2018	2017
Operating Revenues				
State/employer contributions	$401,388,126	$400,006,661	$334,208,126	$327,233,709
Member contributions	74,873,802	76,138,619	80,156,169	80,960,318
Public entity contributions	7,423,514	7,870,921	7,559,037	7,468,778
Pharmacy rebates	31,653,218	31,161,964	24,832,110	17,365,478
Total Operating Revenues	**$515,338,660**	**$515,178,165**	**$446,755,442**	**$433,028,283**
Operating Expenses				
Medical claims & capitation expense	$439,515,651	$489,424,668	$514,367,757	$462,217,654
Claims administration services	9,937,642	9,655,047	10,768,757	11,445,426
Payroll and related benefits	3,837,791	3,682,752	3,620,926	3,580,771
Health management	3,838	(9,440)	5,703	790,536
Administration	893,416	648,192	775,553	736,944
Professional services	520,595	653,477	733,700	862,896
Employee Assistance Program	441,011	455,356	472,445	536,566
Depreciation		76,776	64,247	88,847
Total Operating Expenses	**$455,149,944**	**$504,586,828**	**$530,809,088**	**$480,259,640**
Operating revenues over (under) operating expenses	60,188,716	10,591,337	(84,053,646)	(47,231,357)
Nonoperating Revenues				
Investment and other income	$1,103,352	$1,171,090	$1,222,021	$893,977
Net Position				
Change in net position	$61,292,068	$11,762,427	($82,831,625)	($46,337,380)
Net position, beginning of year, adjusted	(8,623,632)	(20,386,059)	62,445,566	108,782,946
Net Position, End of Year	**$52,668,436**	**($8,623,632)**	**($20,386,059)**	**$62,445,566**

2016	2015	2014	2013	2012	2011
$324,857,578	$324,630,770	$314,696,927	$316,307,501	$319,804,444	$354,247,003
83,815,598	83,734,256	87,402,560	90,793,617	89,797,753	83,925,846
7,904,470	8,063,991	8,234,207	8,215,776	8,492,621	9,513,436
13,500,867	5,689,731	7,684,071	4,256,453	5,375,360	4,522,990
$430,078,513	$422,118,748	$418,017,765	$419,573,347	$423,470,178	$452,209,275
$437,471,527	$403,830,055	$384,618,997	$372,475,046	$369,224,125	$409,567,239
13,218,054	15,639,455	13,852,877	10,806,319	10,715,326	11,127,397
3,192,904	3,171,205	3,256,596	2,956,116	2,995,419	3,118,821
1,719,724	1,270,944	1,321,792	1,306,988	1,352,413	1,371,409
740,609	827,252	710,321	893,425	755,431	668,081
962,817	1,132,123	1,239,582	1,219,526	1,410,821	1,359,829
594,341	598,961	578,534	586,037	686,752	774,952
	115,734	143,667	134,421	134,707	361,824
$457,899,976	$426,585,729	$405,722,366	$390,377,878	$387,274,994	$428,349,552
(27,821,463)	(4,466,981)	12,295,399	29,195,469	36,195,184	23,859,723
$1,173,043	$735,595	$877,940	$436,909	$853,463	$708,812
($26,648,420)	($3,731,386)	$13,173,339	$29,632,378	$37,048,647	$24,568,535
135,431,366	139,162,752	130,428,285	100,795,907	63,747,260	39,178,725
$108,782,946	$135,431,366	$143,601,624	$130,428,285	$100,795,907	$63,747,260

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust, for the ten fiscal years ended June 30, 2020

Additions	2020	2019	2018	2017
Employer contributions	$72,338,734	$82,619,621	$68,901,880	$67,398,726
Retiree contributions	43,318,278	51,242,143	53,157,242	52,169,890
Investment income	2,754,934	6,208,661	4,679,311	7,838,782
Retiree drug subsidy & other rebates	48,172,196	41,544,557	35,501,734	30,514,297
Total Additons	**$166,584,142**	**$181,614,982**	**$162,240,167**	**$157,921,695**
Deductions				
Medical claims & capitation expense	$138,933,653	$165,126,632	$150,606,550	$142,154,216
Claims administration services	4,412,024	4,128,891	4,389,802	4,325,639
Administration & other	2,896,632	2,743,447	2,752,187	2,984,613
Total Deductions	**$146,242,309**	**$171,998,970**	**$157,748,539**	**$149,464,468**
Net Increase	20,341,833	9,616,012	4,491,628	8,457,227
Net Position Held in Trust for Other Post-Employment				
Beginning of Year	139,550,183	129,934,171	125,442,543	116,985,316
End of Year	**159,892,016**	**$139,550,183**	**$129,934,171**	**$125,442,543**

2016	2015	2014	2013	2012	2011
$66,199,740	$62,585,666	$56,314,655	$54,005,719	$57,090,104	$53,353,553
51,446,647	50,343,105	50,921,465	51,217,932	50,832,210	50,923,370
2,275,792	4,003,656	11,790,754	6,882,517	3,491,526	8,838,531
29,696,367	14,865,605	6,849,482	7,083,186	8,276,097	8,216,818
$149,618,546	$131,798,032	$125,876,356	$119,189,354	$119,689,937	$121,332,272
$131,451,967	$118,668,233	$105,340,449	$106,638,547	$109,968,530	$107,360,435
4,892,410	5,865,488	5,110,073	3,996,858	3,764,844	4,115,613
3,193,562	2,632,026	2,681,689	2,624,738	2,577,353	2,831,271
$139,537,939	$127,165,747	$113,132,211	$113,260,143	$116,310,727	$114,307,319
10,080,607	4,632,285	12,744,145	5,929,211	3,379,210	7,024,953
106,904,709	102,272,424	89,528,279	83,599,068	80,219,858	73,194,905
$116,985,316	$106,904,709	$102,272,424	$89,528,279	$83,599,068	$80,219,858

Schedule of Net Position by Component

Internal Service Fund, ten years ended June 30, 2020

Net Position	Net investments in capital assets	Unrestricted	Total net position
2020	**$177,984**	**$52,490,453**	**$52,668,437**
2019	**220,086**	**(8,843,718)**	**(8,623,632)**
2018	**287,155**	**(20,673,214)**	**(20,386,059)**
2017	**283,032**	**62,162,534**	**62,445,566**
2016	**221,396**	**108,561,550**	**108,782,946**
2015	**304,082**	**135,127,283**	**135,431,365**
2014	**250,090**	**143,351,534**	**143,601,624**
2013	**262,720**	**130,165,565**	**130,428,285**
2012	**256,281**	**100,539,626**	**100,795,907**
2011	**333,028**	**63,414,232**	**63,747,260**

Full-Time Employees

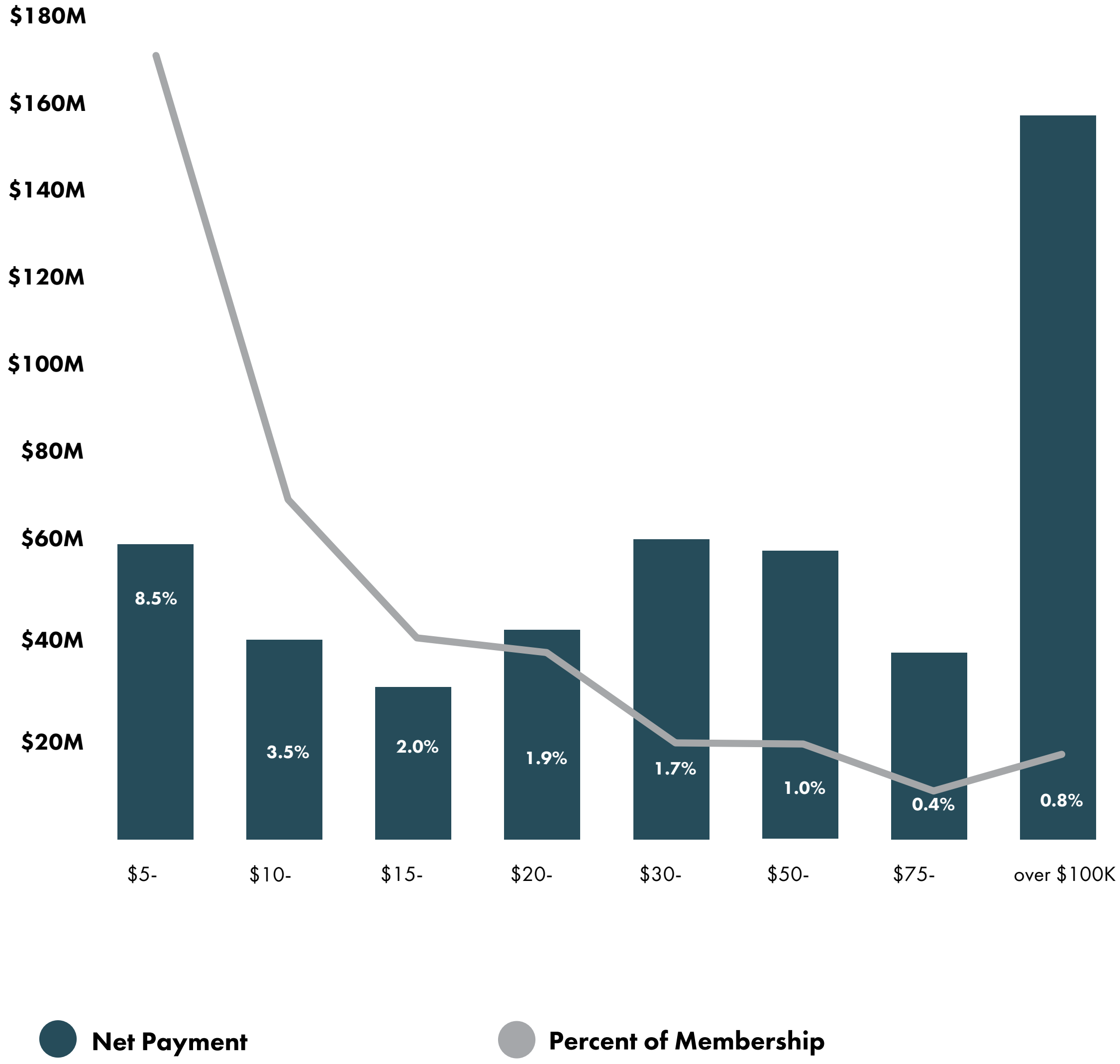
Missouri Consolidated Health Care Plan, ten years ended June 30, 2020

Department	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Executive & Administration	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**5.00**	**4.76**
Operations	**41.8**	**44.11**	**44.75**	**46.58**	**48.54**	**50.00**	**50.97**	**48.10**	**46.59**	**47.79**
General Counsel	**2.00**	**1.00**	**1.00**	**1.00**	**1.20**	**2.00**	**2.50**	**1.50**	**2.00**	**1.75**
Internal Audit	**3.66**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**4.00**	**4.00**	**3.00**	**3.00**
Human Resources	**0.42**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**0.53**	**1.00**	**0.82**
Fiscal	**4.00**	**4.00**	**4.91**	**5.92**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
Totals	**53.88**	**55.11**	**56.66**	**59.5**	**61.74**	**64.00**	**66.47**	**62.13**	**63.59**	**64.12**

Source: Missouri Consolidated Health Care Budget Documents

Paid Claims Distribution by Individual

State Members Fiscal Year 2020



80.2% of membership accumulated $0-$5K in claims and accounted for $71.9 million in cost

State Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2020

Age	Active		Retiree		COBRA		Disabled		Survivors		Vested		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
< 1	357	373	0	1	0	0	0	0	0	0	0	0	731
1 - 10	4,128	4,447	13	14	0	3	0	0	0	3	4	5	8,617
11 - 19	5,341	5,574	111	98	2	0	1	1	12	11	6	4	11,161
20 - 24	3,602	3,292	214	192	0	2	0	0	14	7	5	4	7,332
25 - 29	2,562	1,796	50	50	10	9	0	0	3	2	1	0	4,483
30 - 34	2,610	1,683	3	12	2	0	0	0	0	1	2	1	4,314
35 - 39	2,913	1,788	6	7	0	2	0	2	1	3	2	2	4,726
40 - 44	3,102	1,975	4	10	0	0	3	1	0	1	7	2	5,105
45 - 49	3,744	2,199	19	6	1	1	7	3	1	1	6	7	5,995
50 - 54	3,753	2,405	271	132	5	0	11	8	4	2	15	8	6,614
55 - 59	3,605	2,502	1,184	551	7	6	18	5	11	3	15	10	7,917
60 - 64	2,419	1,815	2,319	1,212	7	5	9	1	34	15	9	9	7,854
65 - 69	652	663	2,923	1,838	0	0	2	2	72	20	0	2	6,174
70 - 74	125	154	2,600	1,757	0	0	0	0	111	36	0	0	4,783
75 - 79	18	49	1,558	1,096	0	0	1	0	136	40	1	0	2,899
80 +	3	9	1,832	984	0	0	0	0	354	88	0	1	3,271
Total	38,934	30,724	13,107	7,960	34	28	53	23	753	233	73	55	91,976
	Total Active 69,658		Total Retirees 21,067		Total COBRA 62		Total Disabled 75		Total Survivors 986		Total Vested 128		

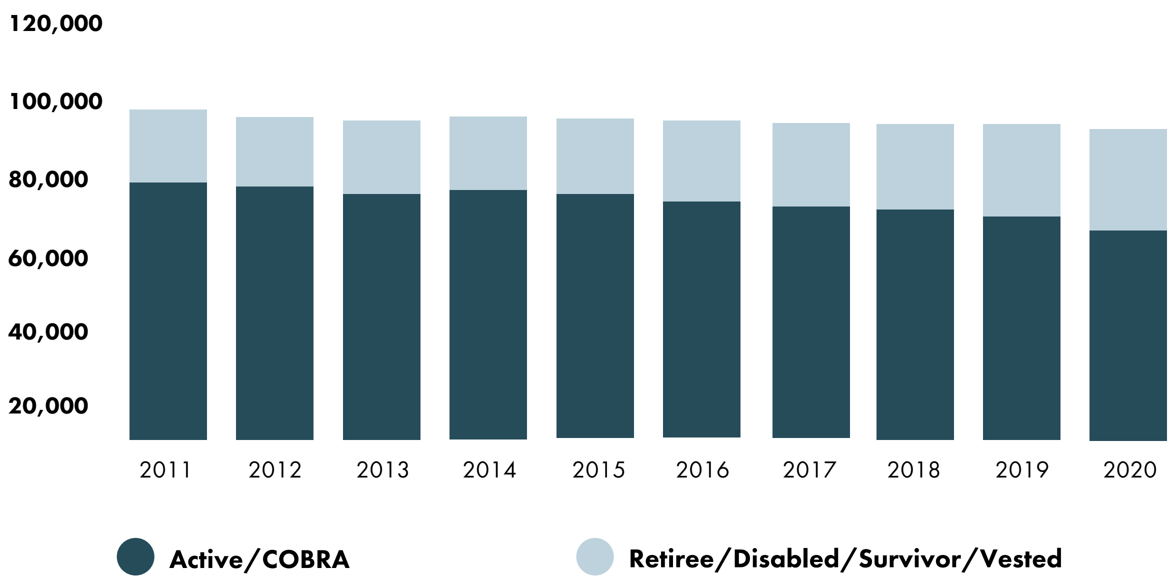
Enrollment History

State Membership, ten years ended June 30, 2020

Year	Active	Retiree	COBRA	Disabled	Survivors	Vested	Total
2011	79,317	17,682	147	258	872	165	98,441
2012	77,069	17,937	65	221	867	169	96,328
2013	76,288	18,361	111	205	847	171	95,983
2014	76,713	18,630	65	167	855	159	96,589
2015	75,808	19,100	59	136	893	142	96,138
2016	74,761	19,534	49	133	909	141	95,527
2017	74,094	20,077	81	121	927	128	95,428
2018	73,536	20,492	85	90	941	130	95,274
2019	71,059	20,859	91	98	964	146	93,217
2020	69,658	21,067	62	75	986	128	91,976

Enrollment Distribution

State Membership, ten years ended June 30, 2020



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents as of June 30, 2020

	Active		Retiree		COBRA		
Age	Female	Male	Female	Male	Female	Male	**Total**
<1	3	2					5
1-10	36	28	0	0	0	0	64
11-19	26	25	0	0	0	1	52
20-24	30	36	0	0	0	0	66
25-29	52	54	0	0	0	0	106
30-34	40	37	0	0	0	0	77
35-39	36	38	0	0	0	0	74
40-44	43	34	0	0	0	0	77
45-49	43	37	0	0	0	0	80
50-54	56	37	0	0	0	1	94
55-59	80	44	0	0	1	1	126
60-64	53	40	1	0	2	1	97
65-69	22	17	0	0	0	0	39
70-74	8	4	0	0	0	0	12
75-79	1	1	0	0	0	0	2
80+	0	0	1	1	0	0	2
Total	**529**	**434**	**2**	**1**	**3**	**4**	**973**
	Total Active 963		Total Retirees 3		Total COBRA 7		

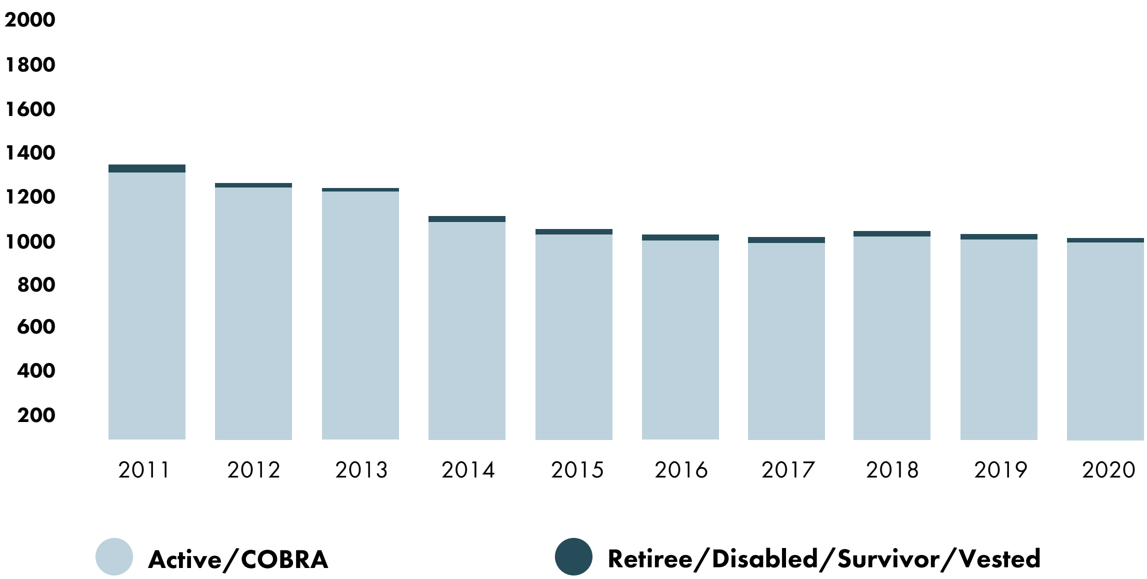
Enrollment History

Public Entity Membership, ten years ended June 30, 2020

Year	Active	Retiree	COBRA	Total
2011	1,365	13	12	1,626
2012	1,277	10	9	1,390
2013	1,244	9	9	1,296
2014	1,197	14	2	1,262
2015	1,115	12	4	1,213
2016	1,056	14	8	1,131
2017	1,003	5	8	1,078
2018	1,038	4	5	1,016
2019	1,019	4	5	1,028
2020	963	3	7	973

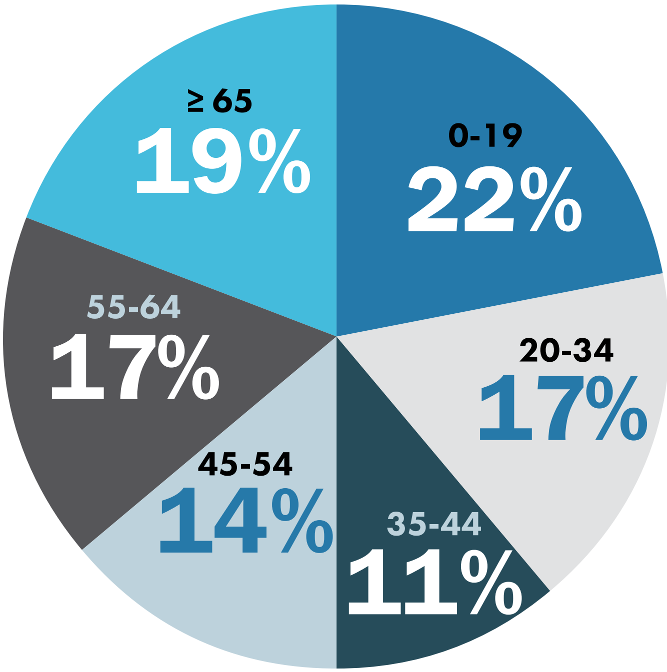
Enrollment Distribution

Public Entity Membership, ten years ended June 30, 2020



Plan Demographics

State Membership, Fiscal Year 2020

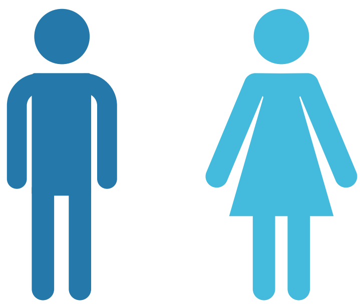


Total Lives

91,976

Average Age

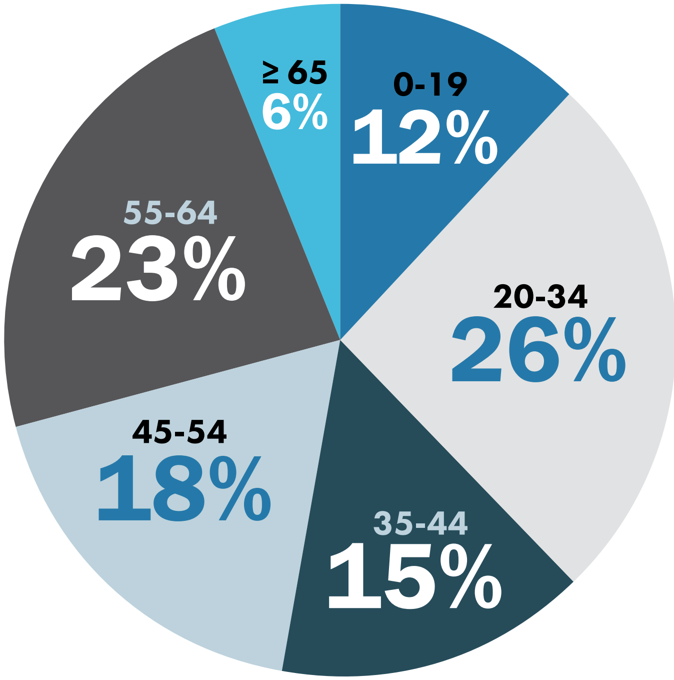
42 years



42% **58%**

Plan Demographics

Public Entity Membership, Fiscal Year 2020

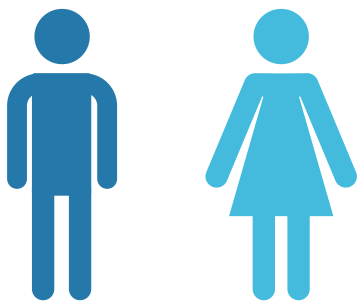


Total Lives

973

Average Age

41 years



45% **55%**

Principal Participating Employers

State Retiree Welfare Benefit Trust

Employers by Participating Employer Ranking	Covered Employees	Rank	Percentage of Total System
State	16,518	1	100.0%
All Other Groups (1)	2	2	0.0%
Total	**16,520**		**100.0%**

(1) All Other Groups include Public Entities that have elected to join MCHCP.

Average Benefit Payment

State Retiree Welfare Benefit Trust

2020	
Average Benefit Per Participant	**$18,404**
Benefit Payments	**302,762,860**
Average Participants	**16,451**
2019	
Average Benefit Per Participant	**$20,933**
Benefit Payments	**340,532,953**
Average Participants	**16,268**
2018	
Average Benefit Per Participant	**$19,295**
Benefit Payments	**308,167,406**
Average Participants	**15,971**
2017	
Average Benefit Per Participant	**$18,658**
Benefit Payments	**292,237,129**
Average Participants	**15,663**

Average Benefit Payment table represents available data from 2017-2020.